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20 August 1984

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INTER-AMERICAN AFFAIRS

PARAGUAYAN BEEF IMPORTS CLAIMED DAMAGING TO CHILEAN MARKET

Santiago LA TERCERA DE LA HORA in Spanish 19 Jul 84 p 6

[Text] According to informed sources received by LA TERCERA from the public sector, Paraguayan beef imports are causing serious and irreparable damage to domestic cattle production.

It was pointed out that "unfair competition from Paraguayan beef entering the country at an average rate of \$1 million per month not only affects the beef market with an equal amount of losses but also creates problems which are difficult to calculate, since it indirectly results in the killing of calves in Chile which should be the future breeding stock for the domestic cattle industry."

Unfair Competition

It was pointed out that Paraguayan beef enters the country paying only a 5 percent tax since trade agreements are in effect on that product between Chile and Paraguay. "Therefore," it was emphasized, "Paraguayan beef is not affected by the general 20 percent tax on other products from abroad."

It was stated that in order to produce a volume cattle industry here in Chile, the initial investment must cover the 20 percent tax as well as fertilizer, insecticides and fodder crops.

In addition, Chilean cattle, which is raised mainly in the Regions 9 and 10, must travel to consumer centers, principally in Santiago, and the high cost of transportation must be paid, an item also assessed at 20 percent for various expenses such as petroleum, oil, etc.

Another negative consequence of the entry of Paraguayan beef into the country is reflected in slaughter-related jobs, since the production of Paraguayan beef robs thousands of Chileans of work in nearby cattle markets and centers.

The private sector sources reported to LA TERCERA that "the point is not that Paraguayan beef should be prohibited from entering Chile but that it is essential for it to compete under equal market conditions with the Chilean product."

It was explained that when a situation of this type occurs, it is leagally feasible to apply the "safeguards clause" which allows the interests of any country to be protected against unfair competition.

It was pointed out that in Argentina, for example, this clause is applied for the purchase of paper for newspapers and that it is also applied in Chile for wheat, since a Chilean wheat policy could not otherwise be developed.

Lastly, with respect to this topic, it was pointed out that the agreement with Paraguay which has its antecedents in the Latin American Free Trade Association [LAFTA] and later in the Latin American Integration Association [ALADI] ends in 1985, and that nevertheless, even though it will be ending, the damage it will have caused will be essentially irreversible.

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ARGENTINE-SOVIET MINING INVOLVES CHILEANS

Santiago LA TERCERA DE LA HORA in Spanish 19 Jul 84 p 13

[Article by Alfredo Fernandez G., Puerto Natales]

[Text] The regional superintendent, Maj Gen Juan Guillermo Toro Davila, stated in Punta Arenas that at present no problem exists with the Chileans who are working in Rio Turbio, an Argentine coal mine located some 30 kilometers from here.

These statements by the regional chief were made after receiving preliminary information about an agreement between the governments of Argentina and the USSR under which the latter will direct mining operations and management at Rio Turbio where about 850 Chilean workers are employed.

Concern

As a result of this unexpected situation, some concern was expressed regarding the well-being of countrymen working in that coal field based, no doubt, on existing political differences between the socialist government of Argentina and the Chilean military regime.

However, the regional leader dismissed the possibility of any problem of that nature and stated that in any case, any situation should be dealt with bilaterally between Chile and Argentina through the Ministry of Foreign Affairs.

According to preliminary information received here, the proposal for the mining operation at Rio Turbio had been presented to the government of Raul Alfonsin by the Soviet ambassador. The agreement would provide that in exchange for the mining operation funded with mixed capital, the USSR would help Argentina repay its foreign debt.

Statements made prior to those of the superintendent by the governor of Ultima Esperanza, Col Pedro Gonzalez Morales, expressed explicit concern regarding the matter in spite of comments to the effect that there exists an atmosphere of harmony between the two nations, Argentina and Chile, which could prevent that occurrence.

FIGUEIREDO DISINTEREST, GOVERNMENT PARALYZATION DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jul 84 p 7

[Article by Jose Fonseca Filho: "A Government at Its End and Tired"]

[Text] Brasilia--President Figueiredo is happier today than yesterday. And so it will be successively until his government ends. There remain 243 days before he leaves the Planalto Palace and goes up into the Nogueira Mountains, according to the schedule which is being carefully publicized and followed. Setting aside weekends and based on the strict observance of a 6-hour daily schedule for 4 working days to which he adheres, the president will conclude that he has only 832 more hours for the effective exercise of his duties. In this last phase, which seems the longest, General Figueiredo is witnessing the resumption of popular demonstrations against the government, economic recession, strikes and impasses in the political sector, just as happened at the beginning of his administration. The difference is that there was a president ready to deal with adversity before, but today he makes no secret of his disinterest in government obligations.

The impulsive nature of certain statements, paradoxically, indicates his real thinking, but given the reactions caused, explanations by palace spokesmen are necessary and the government is tending toward a loss of credibility with the people and contempt from the politicians, including those of the PDS [Social Democratic Party]. His support of direct elections, subsequently denied, is an example. The party he created, the PDS, is on the brink of bankruptcy, and a large percentage of its members have been co-opted by the candidate to succeed the president who was previously rejected by the government party. He is deputy Paulo Maluf, a personality strong in the effort to win power at any price, even if that is the dissolution of the party. Rejected by the independent parliamentarians and by almost the whole of the public, Maluf imposed his methods and got around the Planalto Palace, even altering Figueiredo's resistance. His triumph at the convention will contrast with the defeat pertaining to the coordinating task, which the president does not want to take on.

The physical appearance of the president as well has begun to resemble that at the beginning of his administration-- his pinched face, the fits of bad humor, the irritation, the reddened eyes--even despite the corrective surgery on his eyelids--and his personal withdrawal. He does not want to talk with either politicians or the press, and the questions inherent in the administrative task are being handled by the leading ministers in each specific

sector, such as Leitao de Abreu and Delfim Netto. The internal differences have not been reconciled, and while Minister Abi-Ackel rails against the direction pursued by the head of the Civilian Household, the law of inertia is coming to be the reaction by which the possible unity of the government will be adjusted.

The most noble promise of the president of the republic was to make of the country a democracy. It is true that he did not go so far as to explain in detail how, but it was clear that the model is not exactly what was expected by the majority of Brazilian society. Direct elections for the presidency and a constituent assembly were excluded at the outset, and in order to avoid these measures, there was even recourse to the expression of authoritarianism for which the constitution made strategic provision, with the emergency measures being decreed twice. When a proposal for constitutional reform was sent to the congress, the president did not fight for its approval, a task which fell to Minister Leitao de Abreu and even Vice President Aureliano Chaves. In order to prevent approval of the amendment, the president, Dante de Oliveira, chose to summon all the PDS parliamentarians committed to direct elections to his office for personal talks. He did not summon anyone to argue in defense of the constitutional amendment.

Recently, the spectre of public protest demonstrations has plagued the government again. A presidential trip to Rio Grande do Sul was canceled, as were two official arrivals on the palace runway, a public square was taken over by the police during the visit to the EBN [Brazilian News Agency], and there was the resulting increase in personnel safety measures. And General Figueiredo is accepting this new reality, which he previously reacted against, with the type of abrupt behavior which culminated in the events in Florianopolis, when he physically responded to the popular provocation. The schedule for official meetings is generally filled by individuals unrelated to the political and administrative situation in the country, and he even sees the president of the FIFA, Joao Havelange, who regularly reports on matters pertaining to sports. In recent weeks, pursuing a policy obviously kept secret, the president refused to meet with politicians in his office, and this attitude was modified only with great difficulty by Minister Leitao de Abreu. But the president may talk with parliamentarians, avoiding the subject of politics or even dismissing it, as has happened recently. And he may startle interlocutors, as he did the vociferous Maluf supporter Ernani Satyro, who found him trying to catch flies with his hands.

Figueiredo has never concealed his aversion for politics. "I must state and make it clear to you," he told a group of parliamentarians as early as September 1979, "that I was never a politician. If I am in this situation in which you find me, as president of the republic, it is because I had no alternative, and my close friends can testify to this. My desire was to continue where I always was, with my colleagues in uniform, where at least I had the certainty that I would not do so badly, and where I felt comfortable." However, when former President Geisel chose him for a record term of 6 years, the former head of the SNI [National Service for Intelligence] had as one of his tasks the consolidation of the process of developing the open approach through the upgrading of political activity.

In this particular realm, differences had in the end separated the creator from the creature, since in terms of style and the exercise of power, Generals Geisel and Figueiredo could not be more different. Some of those closest to palace circles challenge the fact that Figueiredo was tapped for the succession on the initiative of the former president. There are those who say that Geisel had another preference, while the name of the then-head of the SNI was promoted by General Golbery do Couto e Silva.

Geisel pursued the principle of authority, while Figueiredo let it fade in a few years of government, being particularly harshly criticized for this among the military. But his temperament reveals reserves of authoritarianism and violence, which are expressed in circumstances which do not justify them. After voting in November of 1982, the president warned off an approaching reporter who wanted to talk to him. "Stay out of the range of my foot." It is hard to say whether he detests politicians or newsmen more, but he has never concealed his mistrust of the press, particularly after his famous statement, "I prefer the smell of horses to the smell of people," was reported in the papers. Even so, they got along cordially until the episode in Riocentro, when there was public coverage of the punishment of the guilty parties by the press.

The authoritarian and aggressive side of General Figueiredo was revealed several times at the beginning of his term of office, before he adopted his current attitude of complete silence. However, these were expressions without practical results, if compared with the present reality. One of his polemic phrases--"I can make and break you," in connection with those who challenged his open approach program--was lost after the Riocentro episode, since the guilty parties were not arrested and the "breaking" came down to a PUMA for the official involved in terrorism. Similarly, various scandals in the financial sector and the irregularities involving the CAPEMI, the SNI and financiers, as well as loans to Poland were left without any convincing explanation or exemplary punishment.

The annoyances led to a decline in General Figueiredo's health, which he predicted, moreover, even before taking office, on his 60th birthday. "Mere influenza will be reported as pneumonia. My diet will be restricted in quality, and what is worse for me, in quantity. Heart attack and cerebral hemorrhage will haunt the years of my life as a constant threat. Emotion will be seen as a very serious symptom, and disagreement as an advanced stage of arteriosclerosis." Today, at 66, having had a heart attack, and lost among political and economic crises, Figueiredo seems to be interested only in travel and the joy of living at his home in Nogueira. He made no secret of his intentions on his 66th birthday. "I will only be happy when I leave the presidency and go home again."

Problems with Vice and Politics

The most untimely outbursts by General Figueiredo recently have been invariably corrected or denied. And when he speaks with the greatest sincerity, making statements which would be regarded as consistent with the national feeling ("I too support direct elections," or "I would be the millionth first participant in direct elections"), they are officially denied.

It is actually in politics that the current reality and the scorn of the president of the republic are in contrast with his attitude at the beginning of his government. Here again one sees the first indications of the infiltration by Maluf, who personally introduced to the president deputies who have come over from the opposition to the government party, and mayors elected for the hydromineral estates in Sao Paulo. In December of 1979, Figueiredo urged the members of the PDS "not to allow the opposition to take over the banners of the people. The people know what they want and have an opportunity to state it. You gentlemen have an opportunity to come to the front and to tell the government and the president of the republic of these aspirations." Years later, ironically, Figueiredo himself three times made statements consistent with the aspirations of the people in connection with the direct elections, but had to retract his statements later. He even discredited his friend, deputy Franciscato, who presumed he was rendering him a good service in revealing the president's real thinking. Also, the imprecise appeals and general complaints ("I am going to summon General Pires here," in connection with army interference in the presidential succession process, and "I am offended by the politicians") show the president's impotence when faced with a political picture which had definitely escaped his control.

With the entry on the scene of the vice president, who has assumed authority for an interim period several times, and demonstrated that, despite difficulties, it is possible to govern, the comparison between the ability and the will to work of Figueiredo and Aureliano became inevitable. And since it was emphasized by politicians and the press, it further harmed the general. Today, Aureliano is the most outstanding dissident PDS leader, and his fulfillment of his duties is regarded at the palace as a sin.

In connection with the work schedule followed by his vice president, Figueiredo commented to a deputy from Bahia that the fact that "keeping one's rump in the chair for a longer time" does not mean producing more, since he too dedicated a part of his nighttime hours at the Torto Ranch to the duties of his post.

The vice president failed to appear at the last meeting scheduled with the president, consistent with a suggestion made by General Ernesto Geisel because of the high tempers on both sides which might have led to a dangerous discussion. After this episode, General Figueiredo sought to represent himself as the victim, and indicated his surprise and hurt at the "desertion" by the vice president.

A few days ago a state business leader indicated his displeasure with the national situation and the consequences of the paralysis of the central government. "The president is at a standstill, the government has come to a halt and in the end this paralyzes various segments of the private and government productive sectors."

The field is becoming fertile ground for penetration by the Maluf virus, as he is coming to represent boldness as compared to inaction. Maluf has begun to consider the possibility of success for a number of former followers of General Figueiredo, the key considerations being General Golbery and former private secretary Heitor Aquino.

President Figueiredo has recently developed his determination to do nothing in terms of the succession process, because not even the individual chosen by the PDS convention will have his support in the campaign prior to the electoral college contest. This may be a highly positive development for the advisers of Maluf and Andreazza, in view of the loss of credibility by the president, who could even further compromise already unpopular candidates.

Another blatant contradiction between the thinking and the action of General Figueiredo has to do with his stated boredom with his post. If this is true, he need only resign, in doing which he could even cite reasons of health. He would be replaced by a vice president who has demonstrated capability in the post and who has won the acceptance of the public, politicians and businessmen. In the view of some dissident PDS members, Figueiredo is really trying to make himself appear the victim now, as if the problems existed because no one listened to him, even regarding the succession process. As he did not directly assume responsibility--the constitutional amendment was the work of Leita de Abreu, its withdrawal that of Abi-Ackel, provisions for the period between presidential elections that of Senator Sarney, and their cancellation that of Paulo Maluf--the president must have wanted to remain a spectator and a victim. Finally, Figueiredo is said to have refused to undertake coordination of the succession process because, as he himself announced, the candidates did not listen to him.

Contempt for his post is nothing new for President Figueiredo. More than 3 years ago, he posted a calendar in the barn where he keeps his horses at the Torto Ranch, on which he marked off the days remaining until the end of his government term. This is an activity in which many Brazilians are currently engaged as well, since the only point of identification between the man who governs and those he governs has come to be eagerness for the end of that term.

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SURVEY SHOWS MAJORITY REJECT ELECTORAL COLLEGE SYSTEM

Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Jul 84 p 4

[Text] Even if it is impossible to have direct elections, the majority--50.3 percent--of the people in Sao Paulo, Rio, Belo Horizonte, Salvador, Porto Alegre and Curitiba do not accept the electoral college as a solution for the choice of the future president of the republic.

In the survey made this week by FOLHA DE SAO PAULO, in which 3,000 individuals in these six capital cities were interviewed, the highest indices for rejection of the college were found in Porto Alegre (66.3 percent) and Rio de Janeiro (62.8 percent). The figure for Sao Paulo came to 44.2 percent.

The weighted average for the six capitals shows that 32 percent of those interviewed regard the solution of succession via the electoral college, given the impossibility of direct elections, to be acceptable. A larger percentage hold that opinion in Salvador (39.0 percent), Belo Horizonte (36.7 percent) and Sao Paulo (36.2 percent). No opinion had been developed on the matter by 17.7 percent, with the largest percentage of polled individuals remaining indecisive in Belo Horizonte (24.5 percent).

Apart from whether or not they agree to the electoral college method, 54.6 percent of those polled believe that Governor Tancredo Neves has a better chance of winning the presidency as an indirect candidate. In the view of 26.7 percent, the winner in the electoral college will be Paulo Maluf.

Preferences

When asked which candidate they prefer--Paulo Maluf, Tancredo Neves or "another," left unnamed in the poll, those interviewed placed the former governor of Sao Paulo fourth. Maluf, with only 13.5 percent of the preferences, lost to Tancredo (47.3 percent) and "another" (25.4 percent), while 13.3 percent of those questioned answered "don't know." Curiously, the largest number of Tancredo supporters is not found in Belo Horizonte (56.5 percent), but rather in Rio (60.2 percent). And the main stronghold of the Maluf supporters is in Curitiba (27 percent), as compared to 15.5 percent for Sao Paulo and only 4.7 percent for Belo Horizonte. The greatest preference for "another," 61.3 percent, was found in Porto Alegre.

Those interviewed in Sao Paulo who wanted neither Tancredo nor Maluf but preferred "another" named as their preference Aureliano Chaves (40.5 percent),

Luis Inacio Lula da Silva (26.7 percent) and Leonel Brizola (6.7 percent). And 5.5 percent of those who preferred "another candidate" were unable to put a name to their preference.

Those Interviewed

Among those in Sao Paulo to whom the electoral college was unacceptable, 50.2 percent fall in the A income category (more than 5 times the minimum wage) or the B category (between 2 and 5 minimum monthly wages), as compared to 30.7 percent in the C category (up to 2 times the minimum wage). More men (49.4 percent) than women (39.0 percent) oppose the college, while there are more women in the undecided contingent. Men and women are balanced in the contingent agreeable to the college as a solution.

The acceptance of an indirectly elected president is greater among citizens of Sao Paulo between 14 and 19 years of age and over 36 (38.3 percent) than in the intermediary range between 20 and 35 (33.3 percent). Those most convinced of a victory for Tancredo in the electoral college are the men (49.8 percent). In the 20-to-35-year age range such acceptance comes to 50.7 percent, found mainly in the income categories earning more than 5 times the minimum wage (47.7 percent).

Among the 34.5 percent of the Sao Paulo citizens who believe in the indirect election of Maluf, 43 percent earn between 2 and 5 times the minimum wage and 42.3 percent are between 14 and 19 years of age. It can be noted that belief in Maluf's victory declines with the age of the person interviewed--42.3 percent, 32.5 percent and 30.7 percent for the three age categories, respectively. The greatest preference for Maluf is found among men (16.3 percent, as compared to 14.6 percent of the women) earning between 2 and 5 times the minimum wage (19.2 percent) and over 36 years of age (17.6 percent).

If There Are No Direct Elections, Do You Regard the Electoral College as an Acceptable Solution for the Choice of the Future President of the Country?

	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Porto Alegre %	Curitiba %	Weighted Average %
Yes	36,2	25,0	36,7	39,0	15,0	34,2	32,0
No	44,2	62,8	38,8	36,7	66,3	53,5	50,3
Don't Know	19,6	12,2	24,5	24,3	18,7	12,3	17,7
Number Interviewed	(1.000)	(600)	(400)	(300)	(300)	(400)	100,0 (3.000)

The highest levels of rejection of the college were seen in Porto Alegre and Rio, and the lowest, in Salvador.

What Candidate Do You Believe Has the Best Chance of Winning
(in the Electoral College)?

	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Porto Alegre %	Curitiba %	Weighted Average %
Paulo Maluf	34,5	17,3	17,2	28,3	17,3	33,7	26,7
Tancredo Neves	47,0	66,3	68,0	45,3	44,0	51,5	54,6
Don't Know	18,5	16,4	14,8	26,4	38,7	14,8	18,7
Number Interviewed	(1.000)	(600)	(400)	(300)	(300)	(400)	100,0 (3.000)

Only 26.7 percent believe in the likelihood that Maluf will reach the presidency, while 54.6 percent believe that Tancredo will be victorious.

Based on the cross-referencing of data, it can be suggested that the candidate most mentioned by the people (in comparison to the level of exclusion of Paulo Maluf) is the man the persons interviewed regarded as most easily accepted by the electoral college. It is important to stress that the indices for those who gave no response to the questions about the strongest candidate (Who do you think has the best chance of winning in the electoral college?) and the preferred candidate (Which candidate would you like to see win?) are high: 18.5 percent and 21 percent, respectively. For all three questions, women indicated considerably greater indecision than men.

The FOLHA Survey is carried out by the Research Department at FOLHA DE SAO PAULO, under the direction of sociologist Mara Nogueira Kotscho. The research plan was devised by Prof Reginaldo Prandi of the Department of Social Sciences at USP [Sao Paulo University]. The maximal error foreseen is 3 percent. The formulation of the questions and the analysis of the material are the responsibility of the editorial staff.

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DOLLAR DEBTS COULD BE ROLLED OVER AS SWISS-FRANC BONDS

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 24 Jul 84
p 5

/Article: "Trade With Rolled-Over Brazil Debts?--Some Thoughts About Proposals
by the Banking Corporation"

/Text/ Zurich--Some hints recently dropped in Sao Paulo by the president of the largest Swiss commercial bank, the Schweizerische Bankgesellschaft Zurich (SBG) /Swiss Banking Corporation/, Dr Holzach, have triggered some lively speculation in Swiss financial circles. Holzach suggested that Brazil might convert a part of its high-interest dollar debt into a /Swiss/ franc debt to Swiss banks, thus saving about five-eight percentage points of interest. Holzach did not go into detail on these still vague proposals he made in Brazil. In Switzerland it is estimated that a maximum of some \$2.5 billion would be involved in such a currency conversion debt switch. That however would amount to more than 6 billion francs at today's rate of exchange, which would be quite a big haul for Switzerland, considering the fact that the annual export of Swiss capital amounts to approximately 40 billion Swiss francs.

Initially, observers interpreted Dr Holzach's remarks to indicate that the SGB had in mind to put Brazil debt bonds in Swiss currency on the market in Switzerland, in other words to offer them to the public at large. The normal interest rate for foreign country bonds in behalf of a country like Brazil would be "a minimum" of seven percent. Obviously, such Brazil bonds could not be sold at par value; the Bankgesellschaft would have to offer an attractive discount which would adequately cover the Brazil risk. First speculative estimates zeroed in on a 60-65 percent initial sale price for the bonds. In Swiss francs, this would have produced a high double-digit effective yield. But who would have to pay for the difference between that and the par value of the indebtedness? Well, people thought, probably the Bankgesellschaft and the other major Swiss banks which might participate in this venture. The banks were thought to be able to afford this, since in their balance sheets they had already written off the Brazil loans, partly or in their entirety.

But in the meantime it is beginning to look as though there will be no such thing as widespread discount Brazil bonds in Swiss francs. At present, there are discussions going on about a different form of debt conversion. It is said to be conceivable that after a rollover of Brazilian dollar debts into franc

debts, the SBC would market them on the bond market in Switzerland or maybe in other countries. Smaller banks which are not involved in South America might be interested in purchasing the debt certificates from the big banks. Should the Brazilians finally pay their debts, the smaller banks could, apart from the attractively high Swiss franc interest, end up with considerable capital gains from the discount. But even if there were to be difficulties again later on in repayment of the franc debt, the smaller banking firms would not be hard hit, if they were to make their purchases from the Bankgesellschaft in moderation.

Consideration is also being given in Switzerland to the possibility of linking old Brazil debts with new Brazilian exports to Switzerland. If for example the Brazilians were to export 500 million francs' worth in Swiss currency per calendar year via the Bankgesellschaft, they might perhaps divert a part of the francs earned that way toward paying a part of their debt principal and interest. This might serve to reduce the exchange rate risk which the Brazilians would assume by converting their dollar debts into franc debts. The Swiss themselves could then re-export a part of the Brazilian merchandise.

This variety of speculative schemes is an excellent example of the fantasies which modern credit management is capable of indulging in when faced with the necessity of getting the chestnuts out of the fire, in this case, to convert the sensitive Brazilian debt to a sober business transaction with predictable risks. So far there has been no decision on whether the announcement by the Bankgesellschaft chief will be followed by deeds and what form a rollover transaction, if any, will take.

9273

CSO: 3620/399

BRIEFS

WAR MATERIEL INDUSTRY INFORMATICS--Sao Paulo--Informatics is being introduced into war materiel, within a plan to nationalize production completely. Edison Dytz, secretary of informatics, has given assurance that the SEI [Special Secretariat of Informatics] will "attentively supervise its use in the sector," since this industrial area has to do with national security. According to Dytz, the war materiel sector will make increasing use of informatics, and this field will be "an important factor in the technological development" of its future products. Jose Luis Whitaker Ribeiro, the president of ENGESA [Specialized Engineers, Inc], confirmed the nationalization plan, recalling the establishment of ENGETRONICA, through the affiliation of the ENGESA with Philips of Brazil. For example, ENGETRONICA will produce the instruments for the control panels of the Brasilia, Bandeirante and Tucano aircraft, and others produced by the EMBRAER [Brazilian Aeronautics Company]. The technology will be provided to ENGETRONICA by the American Collings firm. The new enterprise is launching domestic production of rangefinders using microprocessors. This apparatus will be used in the next product to be launched by the ENGESA, the General Osorio heavy tank, which will depend for firing guidance on this unit with a microprocessor. The other war materiel industries are also using equipment involving microprocessors, for example the Astros II, an AVIBRAS product. The Astros is an entirely automatic multiple rocket launcher, with a microprocessor in its rangefinding mechanism. The Piranha air-to-air or air-to-ground missile being produced by D. F. Vasconcellos will have special sensors with control of firing aided by microprocessors. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Jun 84 p 16] 5157

INDUSTRIAL PRODUCTION RISE--Between January and May of 1984, industrial production increased 4.32 percent more than during the same period the preceding year, according to the figures released yesterday by the Brazilian Institute of Geography and Statistics (IBGE). The processing industry showed an increase of 3.47 percent for the first 5 months of the year. The IBGE figures also showed that up until May, general industrial production showed a drop of about 1.5 percent in comparison to the preceding 12 months, while the processing industry showed a decline of more than 2 percent. This same data showed that production in May was up 13 percent in the processing industry as compared to last April. The figures pertaining to the growth in the processing industry in the period between January and May, as compared to the same period in the preceding year, indicate that the greatest increase during the period was seen in basic metallurgy (about 23 percent), mechanics (14 percent) and transportation equipment, with the automobile industry standing out

in this latter sector (about 5 percent). Chemical products, clothing and footgear also showed positive rates. The greatest drop was seen for the textile industry (almost 7 percent). Capital goods were up 9.4 percent, and intermediary goods more than 10 percent, but consumer goods showed a negative development, with a 5 percent loss. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jul 84 p 21] 5157

GRAIN PRODUCTION DATA--Brasilia--Grain production will reach 48,044,000 tons during this harvest, exceeding that last year, when the farm sector produced 44,225,000 tons of grain, by 8.6 percent. This is the estimate of the technicians of the Production Financing Commission (CFP), which was announced yesterday by the Ministry of Agriculture. There was a record harvest of soybeans, with a total of 15,219,000 tons, more than ever achieved since the large-scale planting of this crop was begun in the 1970s. According to the CFP estimate, domestic production of beans, adding together the two 1983-84 harvests, and provided the excellent weather conditions now being seen in the Northeast continue, will be up 54 percent. Production increases were seen for all grains, with the exception of peanuts, which showed a reduction of 27 percent. The area planted to beans showed an increase of about 10 percent over the area planted for the preceding harvest. This increase was due to the expansion of the planting area in the Northeast, up 16 percent over that for the 1982-83 harvest. Rice production will reach 8,563,000 tons. The area planted declined by 4 percent, and the effects thereof were not worse only because of the excellent weather conditions in the North-Northeast and in Rio Grande do Sul. Corn, which heavily affects the development of chicken and pork prices, showed a production increase of about 9 percent, due to the increase of 4 percent in the area planted and the increase in production in the Northeast. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Jun 84 p 15] 5157

CSO: 3342/138

COMMUNIST-LINKED MUSICIANS DENIED ENTRY

Santiago LA NACION in Spanish 17 Jul 84 p 5

[Text] In order to clarify erroneous information released recently concerning the refusal to allow two members of the musical group Inti-Illimani into the country, the government wishes to make the following facts known to public opinion.

In recent years, the group has been an active and continuing instrument of dissemination of the Communist Party and its doctrines, participating in different performances and recitals included in the world propaganda of that totalitarian Marxist group, as well as in the campaign which that group wages in vain against Chile.

Consequently and only for the purpose of partially shedding light on activities in which members of Inti-Illimani have engaged, the following situations should be pointed out:

February 1977: Performance at the Political Song Festival held in East Berlin.
September 1977: Participation in the festival of the Italian Communist Party newspaper L'UNITA. Attended by various leaders of the dissolved Chilean Communist Party.
September 1978: participation in Mexico City in the so-called Chilean Cultural Days.
October 1978: Helsinki, Finland. Participation in the Victor Jara Song Festival.
November 1978: Performance at the mass gathering concluding the World Conference of Solidarity With Chile in Madrid.
September 1978: Participation in the so-called Salvador Allende Cultural Days held in Mexico.

Their most recent performance, which is also part of their political activism underlying their artistic management, corresponded to their participation in the Third New Song Festival, held starting on Sunday, 8 July, in Quito, Ecuador.

It should be recalled that the First New Song Festival was held in November 1982 in Cuba, called Varadero 1982, on which occasion the International New Song Committee was set up.

The so-called New Song or Chant has as its motto, written in Cuba: "Song is also a weapon of the revolution."

Meeting from 12 to 16 December 1983 in Havana, Cuba, the International New Song Committee, clearly influenced by Soviet communism, planned the Third Festival at which Inti-Illimani just performed.

Finally, it should be emphasized to public opinion how Radio Moscow, the official spokesman of international communism, views Inti-Illimani:

On 8 December 1978, that Soviet news medium said that Inti-Illimani "is living its exile in Rome, traveling throughout the world reviving the fire of international solidarity with Chile."

On 31 May 1979, the same spokesman that guides the actions of communists throughout the world stated that the group will give 50 performances in Italy from June to September, as part of the annual festival of the daily L'UNITA, the organ of the Communist Party of that country.

11,464

CSO: 3348/492

ADENA TO KEEP PLATFORM OF GROUP OF 8

Santiago LA TERCERA DE LA HORA in Spanish 15 Jul 84 p 14

[Text] A press conference held to reveal the political platform of the movement known as the National Democratic Accord (ADENA) presented the president of that group, Juan de Dios Carmona. The organization includes the Social Christian, National Action, National Union, Radical Democracy and Democratic Socialist Workshops movements.

The official said that the ADENA would retain all proposals contained in the political platform of the Group of 8, inasmuch as it was the only valid document serving as a serious, concrete step toward the establishment of a political dialogue and the only possible way of gradually developing the transition toward democracy.

"Essentially, the platform means the possibility of speeding up the passage of political laws and, at the same time, the need to establish as rapidly as possible citizen participation permitting the establishment of a National Congress before the dates set in the Political Constitution. We are setting the establishment of a congress for 1986.

"This platform was received by the authorities and, at the same time, I would say that a clarification is pending with respect to time periods allowed for passage of political laws and the possibility of speeding up what we have called constitutional changes. For us, it is fundamental to support this political platform."

Urgent Platform

"We do not tie the platform to whether or not a specific political group continues to exist. Consequently, those who thought that this political platform would disappear with the Group of 8 should be informed that it is more alive than ever, supported by forces that have precisely reached agreements in order to be able to develop it and obtain the proper responses from authorities so that it will be possible.

"The Group of 8 has not been dismantled; on the contrary. The platform goes far beyond the mere establishment of the continued existence of a group or a number of political forces and ready to receive the backing of the "natural

majority" of the Chilean people wanting the establishment of a complete democratic system in the country. Consequently, with the establishment of the ADENA, no possibility of this platform has been diminished."

The leader went on to say that the establishment of democracy "requires more than the mere formulation of the platform, much more concrete accords in order to assume responsibilities to national public opinion. We derive nothing from formulating democratic aspirations and even proposing solutions if we are not capable of supporting our views as democratic organizations that aspire, not only to sustain, but rather, to consolidate the democratic process in the country. Democracy cannot be an empty word; it must be materialized."

De Dios Carmona then said that the ADENA presumes "the possibility of supporting the platform in question and, at the same time, establishing a constant dialogue with the government, which we deem to be the most valid interlocutor for engaging it in this process of transition to democracy."

11,464

CSO: 3348/492

SURVEYED UNIONISTS REJECT POLITICIZATION OF CNT

Santiago EL MERCURIO in Spanish 14 Jul 84 p C2

[Text] A survey of trade union and political leaders yesterday showed that the interference of political parties in the National Workers Command (CNT) "should serve as a warning to rank-and-file trade union leaders that they may be used for purposes alien to the true interests of the workers."

Raul Orrego, president of the Organization of Free Trade Unionists, said yesterday that "our group believes that it is a very positive step that the Democratic Union of Workers (UDT) has defined its authentically trade union position on the National Workers Command. In one way or another, that organization is being taken in by political parties, mainly of the left, that have little or nothing to do with the unity of workers from the standpoint of respect for their own interests.

"We are anti-Marxist as a matter of principle, but this acceptance of politics over trade unionism backed by some leaders makes us think about the need to have, in the very near future, the establishment of an overall true democratic labor federation."

Jose Salgado

Jose Salgado Arancibia, president of the National Federation of Workers of Catholic University, said that:

"Trade union organizations should not be politicized. Otherwise, they will not respect the personal ideologies of each individual.

"The truth is that it is the leaders who, vis-a-vis the rank and file, are responsible for defending their real interests, who must not allow themselves to be the servile instruments of these political groups because it was politicking that caused Chilean trade unionism to lose power.

"Anyone wishing to serve two masters is lying. Trade union leaders must either serve the workers or their political parties, but the interests of both sides cannot coincide when ideologies are superimposed on the needs of the workers.

"Hernol Flores realized that politicians cannot play with the workers, which makes me happy, but I also deplore the fact that other leaders use their own class brothers to serve their petty interests."

Alejandro Antequera, copper trade union leader at El Teniente, said:

"I am happy that a leader of the trade union background of Hernol Flores has finally denounced what we have so often said to copper workers.

"We reject political meddling in trade union organizations. This condemnation in recent days will open the eyes of many leaders of the country's rank-and-file unions. They must not allow themselves to be used by pseudo leaders for purposes not in keeping with the workers' true interests.

"It is also a message to Carlos Ogalde, copper leader at Chuquicamata and vice president of the National Workers Command and a member of the Democratic Union of Workers, about what is happening in his own organization, the CTC [Confederation of Copper Workers] in Santiago."

Rolando Burgos, head of Union 2 of the National Coal Enterprise in Lota, said that "it is difficult for a young trade union leader to understand that others who have publicly manifested their ideal of serving the workers and claiming to represent the feelings of the workers should accept orders from political parties which, from experience, we know will abandon us when they achieve their objectives.

"The rank and file elects us to seek objectives and solutions to specific, direct problems, not to meddle in politics.

"In sum, we are a group of honest leaders determined to work for the cause of our class and not subservient to politicians.

"We make no concessions that do not benefit those we represent."

Lamberto Perez, trade union leader from the State Bank, said: "I am happy that the democratic leaders are moving away from the National Workers Command, an organization manifestly infiltrated by the international Communist Party.

"I also believe that the proper path of democratic leaders is to concentrate their discussions on exclusively labor and national matters, absolutely rejecting the manipulation in which current and future political parties try to engage.

"The problems afflicting workers are too numerous, especially among the unemployed, for trade union leaders to spend their valuable time on discussions and actions that have nothing to do with their trade union obligations."

11,464

CSO: 3348/492

CNT ACCEPTS COMMUNIST UNIONS

Santiago EL MERCURIO in Spanish 12 Jul 84 p C3

[Text] The National Workers Command (CNT) has reorganized, changing the number of members of its national council and executive committee.

It has accepted the entry of trade union organizations whose majority is controlled by the Communist Party with a Christian Democratic minority, associated with the National Trade Union Coordinating Committee.

However, it rejected the Unitarian Trade Union Movement headed by Emilio Torres, formerly president of the Copper Confederation.

The announcement, which immediately caused a split in the Command, was made official yesterday by its president, Rodolfo Seguel, in the absence of the leaders of the CEPCH [Chilean Confederation of Private Sector Employees] and the UDT [Democratic Union of Workers].

The latter organization, the Democratic Union of Workers, issued a statement yesterday rejecting the opening and insisting that politics should not get in the way of the real interests of trade unionism in workers' organizations.

Flores

Hernol Flores, who represented Rios at meetings of the Command formerly, announced his personal resignation from the council of that organization.

He told newsmen that "the Command is becoming a branch of the National Trade Union Coordinating Committee."

He also said that the reorganization stemmed from a political agreement and a reprisal by the Christian Democratic minority (Seguel and Bustos), which lost positions at the latest meeting of the party's Trade Union Department held in Padre Hurtado.

Flores, visibly upset, said that the Command had treated the UDT poorly and that "political parties are to govern, but we do not give them the right to manipulate trade union organizations."

Opening

For his part, Seguel said yesterday that with this opening, "we are carrying out agreements signed by workers on 20 April at the meeting at the Cariola Theater."

He added that talks were also beginning with the Democratic Alliance (AD) for the purpose of participating in August or September, along with the country's political forces, in new protest demonstrations organized by the latter.

The Command's national council went from 25 to 31 members, according to Seguel.

Until only recently, the organization was made up of five leaders from the Copper Confederation (CTC), headed by Rodolfo Seguel; five from the Chilean Confederation of Private Sector Employees (CEPCH), headed by Federico Mujica; five from the United Workers Front (FUT), headed by Carlos Rojas Monteros; five from the Democratic Union of Workers (UDT), headed by Eduardo Rios -- who does not attend Command meetings and is customarily replaced by Hernol Flores; and five from the National Trade Union Coordinating Committee (CNS), headed by Manuel Bustos.

With the reorganization, the council will accept -- but with only two representatives per organization, the Bank Workers Trade Union Confederation, headed by Miguel Allende; the Leather and Shoe Confederation, headed by Enrique Vergara, and the National Oil Workers Federation, headed by Jose Ruiz di Giorgio.

For its part, the executive committee of the Command, which was made up of a leader from each of the five organizations, was expanded to nine members.

The Command has accepted the entry of the Graphics Workers Confederation, headed by Arturo Martinez; the National Construction Workers Confederation, headed by Sergio Troncoso, replacing the exiled former president of that same organization, Hector Cuevas; the Transport Workers Confederation, headed by Pedro Monsalve; and the Commerce Workers Federation, headed by Arturo Farias.

11,464

CSO: 3348/492

SPANISH SOCIALISTS EXPRESS SOLIDARITY WITH OPPOSITION FORCES

Santiago LA TERCERA DE LA HORA in Spanish 15 Jul 84 p 6

[Text] Expressing solidarity with the people and demonstrating their fraternal solidarity with Chilean socialist forces are the central objectives of the mission of the Spanish Socialist Workers Party (PSOE), whose visit is to come to an end tomorrow when its members leave for Uruguay.

At a press conference held at the residence of Spanish Ambassador Miguel Solano, deputies Elena Flores, Salvador Clotas and Manuel Chavez said that as representatives of the party in government, they had two objectives in visiting this country.

"One is solidarity and friendship with all the Chilean people and the other is the logical party-to-party relations, in this case, with the Socialist Party of Chile."

During the three days they were in Chile, they visited Foreign Minister Jaime del Valle, whom they asked for the return of a group of exiles, the Vicarage of Solidarity, the National Workers Commando, the Group of 24, the Socialist Bloc, Social Democrats and a number of socialist groups, such as those headed by Briones and Mandujano.

They also wished to talk with Minister of Interior Sergio Onofre Jarpa, but up to yesterday, it had been impossible because of the trips made by the secretary of state due to the weather.

Change in Policy

Deputy Salvador Clota said that the international policy of the PSOE is to change relations with Latin American countries and make it basically different from what existed under Franco, which was "surrounded by demagogy and imperialist vices."

With respect to the approach made to Minister Del Valle concerning the possibility of the return of eight exiles, including Erich Schnake, Clotas said:

"It is a normal procedure of aid to our exiled comrades in Spain or Europe. The response we received was formally satisfactory. We shall see the real response in a few days if that petition actually has positive effects."

He said that the minister of foreign relations was willing to support it and that he would make the petition his own.

Concern

Senator Elena Flores noted in her statements previous to the press conference that she had come to Chile with "interest, concern and expectations" and yesterday a newsman asked her to explain that vision.

"With concern because from our standpoint as a party with solid democratic foundations, since it is the Socialist Party -- you must not forget that -- we would like to see a democratic way out for the Chilean people like that which Spain has had. Our concern is expressed in that sense because major progress cannot be seen and there is naturally the expectation that the democratic forces of the opposition can truly make progress toward democracy and freedom."

When asked whether they now see progress in the organization of opposition parties and the proposals of trade union groups, they said that very clear progress could be seen:

"There is not only progress in social mobilization in the awareness of the Chilean people, but also in the proposals of the opposition forces and we hail it," Clotas said.

Deputy Manuel Chavez completed this idea:

"This visit is an attempt to express our total solidarity with the entire democratic opposition to the Pinochet regime, solidarity with both the trade union and political opposition. It would appear that this has to be made clear. The Socialist Party has an absolutely democratic model of society, based on the defense of human rights, and, based on that defense, we believe that it is necessary to express our solidarity with the political groups that are for these same principles.

"In this sense, we have seen that the process of coordinating trade union forces is perhaps more advanced than in the political area. The National Workers Commando is performing an important task with respect to the coordination of the pluralist trade union movement existing in Chile and this is an important step in the objective the opposition hopes to achieve."

11,464

CSO: 3348/492

LOWERED LAND APPRAISALS BENEFIT 300,000

Santiago LA NACION in Spanish 18 Jul 84 p 9

[Text] Minister of Agriculture Jorge Prado announced yesterday that the Government Junta had given its approval to the bill lowering farmland appraisals by 14 percent, thus benefiting some 300,000 farmers in the country.

He said that the percentage varies depending on the classification of the land and the region where it is located, explaining that there are areas with a small reduction and others where it goes as high as 32 percent. The minister indicated that the greatest reduction seems to be in the south-central region.

The minister stated that the Executive Branch deemed it necessary to legislate in this direction since a study by the Internal Revenue Service done in 1982 had shown the existence of a distortion between the commercial value and the value of land used for agricultural purposes, meaning that a correlation between the two values had to be made.

When asked about the effects that the reduction would have on agricultural production, Prado said that "within the policy of incentives that we have been implementing for the sector, this is one more link enabling farmers to pay fewer taxes."

In addition, he said that the bill approved establishes in its temporary articles that quotas for this year would be paid in three installments. "The first is on 31 July and the other two on dates normally established, which are next September and November." He also explained that "the total reduction will be distributed between the quotas of September and November, meaning the third and fourth."

Percentage of Reductions

The bill approved by the Government Junta at yesterday's legislative session and that will start its process through the legislative system in January contains three permanent and two transitory articles. The first states that "there will be a reduction, effective 1 January 1984, in appraisals of farmland to which Law 17,235 refers, in the amount resulting from application of the following table [not reproduced] to the value of land making up the property,"

for which purpose consideration will be given to the classification of agricultural land contained in Supreme Finance Order No 28 of 1965.

The transitory provisions of the bill mentioned state that "income taxes already paid in excess, due to their calculation without considering the reduction in appraisals contemplated in Article 1 of this law, will become the provisional voluntary payments to which Article 80 of the Income Tax Law refers."

Finally, the bill establishes that "the surplus land tax corresponding to 1984 resulting from the reduced appraisals established in Article 1 will be deducted from the last two installments for the year 1984."

Other Bills

The Legislative Branch passed the bill modifying Article 2 of Decree-Law No 3,525 of 1980, creating the National Geology and Mining Department.

The Government Junta also approved the bill modifying DFL No 1 of 1980 concerning the Personal Investigations Status of Chile.

Finally, approval was not given to the idea of legislating on the bill empowering the Department of Housing and City Planning of the 7th Region in order to transfer free of charge to Leonor de la Rosa Pino the building she occupies in the city of Chillan.

11,464

CSO: 3348/492

BRIEFS

INDIANS GRANTED LAND TITLES--From 1979 to the present time, the government has granted 41,341 land titles to Indians in the country's 8th, 9th and 10th regions. The action, carried out by the Agriculture and Livestock Development Institute, made it possible to regularize some 245,000 hectares. It should be recalled that at the beginning of 1979, the law to regularize Indian land was passed for the purpose of concluding the process of granting internal titles on reservations and recognizing the legal ownership of individual holdings of the Mapuches. The country's 9th region is the area with the largest number of Indians, who comprise about 28 percent of the total population. During the period mentioned, the government made 34,593 small Indian farmers the owners of their land. As expressed by Minister of Agriculture Jorge Prado on other occasions, "the granting of land titles is an act of justice, signifying the restoration of the right of ownership to men who work the land. It means sowing the seeds of freedom." All the new landowners can join programs of the Agriculture and Livestock Development Institute, which involve both technical and credit assistance. The titles also involve social support credits for the sector for those producers who, because of their size, do not meet conditions for receiving normal credits from the organization. In 1983 and 1984, 21.2 million pesos were allocated to a total of 2,636 Indians. [Text] [Santiago LA NACION in Spanish 17 Jul 84 p 8] 11,464

ALL POLITICAL DEMONSTRATIONS BANNED--Upon the recommendation of Minister Enrique Correa Labra, the Supreme Court has ruled that effective today, all types of political demonstrations are prohibited in all legal jurisdictions of the country. In addition, all appeals courts were notified that they in turn should inform the courts in their jurisdictions to enforce the ruling. The resolution was also passed on to the Gendarmerie of Chile, whose personnel are responsible for the protection of tribunals and courts, appeals courts and the Supreme Court, so that it might proceed to prevent this type of disorder and, if necessary, turn guilty parties over to the police for their detention. It was reported that the measure of the country's highest court of justice was the direct result of the latest disorders and demonstrations of a political nature that happened last week in the building housing courts of justice in the capital. Previous to this ruling, Gendarmerie personnel could only control the situation and prevent material damage or attacks on persons. [Text] [Santiago LA NACION in Spanish 14 Jul 84 p 9] 11,464

ECONOMY FACING DIVERSIFICATION, INVESTMENT CHALLENGES

London THE CARIBBEAN & WEST INDIES CHRONICLE in English Jun-Jul 84 pp 10-12

[Text] **Grenada's traditional commodity-based economy now faces the biggest challenge and the biggest opportunity in its history. The combination of strong US support and sympathy, maximum publicity, and a decisive shift towards free enterprise, gives Grenada a chance of diversifying its narrow economic base and obtaining investment finance on a scale that has always been beyond its reach.**

Cocoa, bananas and nutmeg have been the traditional mainstays of Grenada's economy, helped along by a little tourism and light manufacturing. It is a familiar Caribbean mix, and not the most helpful base on which to build a sturdy modern economy. The agricultural commodities have been regularly affected by fluctuating price and demand, not to mention occasional hurricane damage; tourism has been extremely vulnerable to recessionary and other pressures; manufacturing has always been short of capital and market outlets.

Agriculture has accounted for about a third of Grenada's GDP and the great bulk of its exports — cocoa represents about 40-45 per cent of export earnings, nutmeg 20-25 per cent (and a third of world production), bananas about 20 per cent.

Grenada has not been having a great deal of luck with any of these commodities in recent years. In 1982-83, for example, it increased its cocoa shipments by 50,000lbs, but nevertheless recorded an EC\$2.2m fall in earnings because of low prices. The nutmeg industry has been in decline since 1979: the Cooperative Nutmeg Association has seen profits fall from EC\$4m that year to a deficit of \$152,000 in the trading year ending last June 30. Its own reserves have disappeared and it has been operating on an overdraft: again, low prices and falling demand have been the major problem. As far as banana exports are concerned, Grenada was producing 14,000 tonnes a year in 1977, but only about 8,500 tonnes

now, thanks largely to low prices and the falling value of the pound.

The tourist industry has been holding its own against North American recession, physical constraints and political uncertainties, and last year's visitor arrivals were well above 1982's; yet the sector has never been able to expand into a reliable, major foreign exchange earner. Manufacturing has concentrated largely around agricultural products and industries — rum, sugar, coconut oil, lime juice, honey — with a successful move into preserves, jams and jellies in recent years, and some interesting handicraft.

The largest single unit has been a brewery, and there has been some export of furniture and garments, but no new factories were established last year.

Given this range of constraints, Grenada has not been doing as badly as one might expect. Last year, its exports were up by 4.2 per cent, the growth being mainly in non-traditional goods (nutmeg exports were up by 4.2 per cent, cocoa and bananas down by 11.7 and 4.8 per cent respectively); while 1983 imports were slightly less — 1.5 per cent below the 1982 figure. The Maurice Bishop government had sufficiently impressed the International Monetary Fund with its economic management and goals to obtain a US\$14.1m three-year extended fund loan.

That there are serious problems to be tackled is obvious enough. Grenada's unemployment has always been high, and figures are notori-

TABLE 1: TOURIST ARRIVALS 1981-3

	1981	1982	1983
Stayover visitors:			
Grenadians resident abroad	na	na	9,121
Foreigners	25,072	23,270	23,338
Cruise ship visitors	77,596	62,119	50,217
Total	102,668	85,389	82,676

Average cruise ship spending: EC\$66 per day per passenger

Average length of stayovers: 8.5 days (1983)

Source: Ministry of Tourism/Chamber of Commerce

ously unreliable. The Maurice Bishop government did create substantial numbers of new jobs, but the unemployment level is probably still around 25-30 per cent and has been made worse by last October's dislocation and the disbandment of the army. That is one reason why the Advisory Council is anxious to encourage labour-intensive investment.

For the private sector, a major complaint is the very high level of taxes and duties. The Advisory Council in January reduced the stamp duty on imports from 20 to 15 per cent, and a committee has been studying the whole question of restructuring the tax system and introducing adequate incentives.

There is little that Grenada can do on its own to revitalise its agriculture in terms of prices and morale, though it will certainly be rebuilding confidence as far as possible, e.g. by removing the threat of state acquisition after the compulsory state purchases of recent years. However, the Council believes there is room for a major expansion of production in cocoa — where it is convinced that market opportunities exist — and bananas, since the UK market, which can take up to 160,000

By the end of last year, however, the new interim Advisory Council announced that it found the economic situation "grim". There was a projected unfinanced deficit of EC\$9.6m, \$7m of it from the first ten months of 1983, and including \$5.1m in fiscal arrears (contributions to regional and international organisations, claims for goods and services). The liquidity situation was "grave", the Council said, concluding that the Bishop government had been spending at "unsustainable levels" on both the current and capital sides. There was expected to be a shortfall of EC\$4m in current revenue because of the military intervention, and an estimated 1,500-2,000 people had been "dislocated" and added to the unemployed. Gren-

ada's public debt by the end of last November was EC\$136.5m.

Although the Advisory Council has been moving cautiously since then — too cautiously for some of Grenada's businessmen — it has in fact accomplished a quiet but dramatic change of direction. It has made it clear that the initiative now lies with the private sector, not the state. It has been cautiously capitalising on the close relationship with the United States and the favourable investment climate. It has engaged one of the Caribbean's most outstanding economists — William Demas, president of the Caribbean Development Bank — as its economic adviser, and he has produced a two-year plan which puts development priority on the completion of the Point Salines airport, roads, tourism, infrastructure and services, education and health.

The United States, mainly through USAID, has given substantial aid, including a US\$15m programme for economic development which has helped significantly to ease the cash flow problems of late 1983. The Advisory Council has been able to repay much of the government debt to the commercial banks, relieving their liquidity problems (exacerbated by having to pay 20 per cent deposits to help state financing under the Bishop government) and making credit more easily available to the private sector. Crucially, the US has agreed to supply US\$19m of the US\$24m which is needed to finish the new airport, with the rest also guaranteed, mainly by Canada and Britain. Although negotiations with the IMF for a new agreement have taken longer than expected — the previous one was suspended at the time of the military intervention, denying the Advisory Council the second draw-down scheduled for November — a new one-year agreement may well have been finalised by the time this survey appears. There has been a significant list of

new investment projects and a major new thrust in tourism (see separate articles).

Construction work on the Point Salines airport is expected to resume in early July. The Advisory Council has already been able to begin road repairs, Radio Grenada is getting a new studio in St George's and a new transmitter from the United States (its studios were destroyed in last October's intervention), and the Trinidad and Tobago Telephone Company is working under a US\$65,000 contract to restore and upgrade the phone service and widen the subscriber base. Two chronic problems of recent months — electricity load-shedding and water shortages — should be things of the past by this summer, when new generating equipment and spare parts for the pumping system are installed.

None of this solves the economic development problems lying ahead, but it makes a response to them possible. "Until last year, we felt we were on the downward slope," says a leading private sector manager in St George's. "But now, we've nowhere to go but up." The mood of renewed business confidence is attracting savings back into Grenada, he says, in contrast to the outflows of recent years: "private sector confidence is rebuilding fast — there's no street market for US dollars any more."

That there are serious problems to be tackled is obvious enough. Grenada's unemployment has always been high, and figures are notoriously unreliable. The Maurice Bishop government did create substantial numbers of new jobs, but the unemployment level is probably still around 25-30 per cent and has been made worse by last October's dislocation and the disbandment of the army. That is one reason why the Advisory Council is anxious to encourage labour-intensive investment.

For the private sector, a major complaint is the very high level of taxes and duties. The Advisory Council in January reduced the stamp duty on imports from 20 to 15 per cent, and a committee has been studying the whole question of restructuring the tax system and introducing adequate incentives.

There is little that Grenada can do on its own to revitalise its agriculture in terms of prices and morale, though it will certainly be rebuilding confidence as far as possible, e.g. by removing the threat of state acquisition after the compulsory state purchases of recent years. However, the Council believes there is room for a major expansion of production in cocoa — where it is convinced that market opportunities exist — and bananas, since the UK market, which can take up to 160,000

TABLE 2: AGRICULTURE

A: COCOA	1981/2	1982/3
Cocoa exports (lbs)	4,995,649	5,045,287
(EC\$)	13,454,061	11,286,014
Price/lb (EC\$) (average)	2.69	2.23
B: NUTMEGS	1981/2	1982/3
Shelled nutmeg production (lbs)	6,157,754	4,795,991
Cured mace production (lbs)	502,734	330,763
Nutmeg sales (lbs)		5,915,916
(EC\$)		9,470,488
Mace sales (lbs)		903,225
(EC\$)		2,265,817
Total sales (EC\$)	10,640,715	11,736,305
C: BANANAS	1982	1983
Exports (tons)	9,835.8	8,599.2
(EC\$)	8,942,723	8,207,422

*Source: Chamber of Commerce/Cocoa Industry Board/Cooperative Nutmeg Assn/
Banana Cooperative Society*

tonnes a year from the Windward Islands, has been buying only 117,000.

Work has resumed on farm and feeder roads, and there is clearly going to be a major role for traditional commodities for some time yet, though non-traditional products should continue to become steadily more important. The difficulties in CARICOM trade, particularly the recent restrictions imposed (to add to the visas it still requires from Grenadians) by Trinidad and Tobago, are likely to turn Grenada's eyes more to the United States for its export market, though it will still have to look to its neighbours — mainly Barbados now — to sell fruit and vegetables. The Advisory Council has approached Port of Spain for economic aid, but without any result up to the time of writing.

The Grenadian private sector sees the major needs now as the swift completion of the airport, upgrading of the infrastructure (particularly the vital electricity and water systems), and joint-venture capital and expertise. "The interim government's heart is in the right place," says a spokesman, "but it beats rather slowly." The Chamber of Commerce, representing 114 firms, already sees clear signs of restored confidence in both the private and public sectors: "the restoration of the democratic system," it says, "is sure to be accompanied by a determination by the people of Grenada in general and the private sector in particular to increase their efforts" towards economic development. ■

ECONOMIC INDICATORS

Growth: 3% growth in real GDP 1980 and 1981

Inflation: 6.5% August 1982 (23% in 1980, 14.5% in 1981)

Unemployment: 22% in August 1982 (Bishop estimate)

GNP per capita: US\$625 (1980)

Labour force: 38,000

Government finances:

Capital EC\$98.2m in 1982

expenditure: (1980: \$39.9m; 1981: \$79.2m)

Recurrent expenditure: EC\$67m (1982)

Foreign remittances:

EC\$26.3m (1st half 1982)

Trade: Deficit of EC\$99.1m in 1983 (\$100.8m in 1982)

Main imports are food, fuel, capital goods. Agriculture, representing a third of GDP, provides the main exports, particularly nutmeg, bananas and cocoa. Export earnings were severely reduced in 1982 due to international recession and low commodity prices. Tourism was also badly affected by economic conditions and political uncertainty. The industrial sector is small and produces sugar, rum, jams and jellies, honey, coconut oil, soap, lime juice, soft drinks, paper products and cigarettes. There is a brewery, and in Carriacou a cotton ginnery.

TABLE 3: EARNINGS OF LEADING MANUFACTURING EXPORTS (EC\$)

	1982	1983
Clothing	6,553,922	4,781,386
Flour	1,149,112	604,555
Wheat Bran	616,150	524,968
Furniture	576,203	385,357

Source: Chamber of Commerce

TABLE 4: EXTERNAL TRADE (EC\$)

	1982	1983 (est)
Total domestic exports	47,801,964	49,765,500
Total re-exports	2,289,563	1,322,100
Total exports	50,091,527	51,087,600
Total imports	150,881,636	150,211,300
Trade deficit	100,790,109	99,123,700

Source: Ministry of Finance/Chamber of Commerce

CONDITIONS IN ARMY-RUN 'MODEL VILLAGES' DETAILED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Jul 84 p 8

[Article by Martin Gester: "Model Village or Concentration Camp?"]

[Text] Guatemala, in July. Now is that place below us a concentration camp or a model village? Who is right--Guatemala's generals or certain human-rights groups? As the rotor above us stops turning, Colonel Matta jumps down to the grass. Ragged, chubby-cheeked children come running up to him. "They are losing their fear and their health has improved every time we see them. This," assures the commanding officer of Military Zone 20, "is the best reward for our work." Matta shakes hands with the men. He knows many of them by name. We have landed in Tzalbal, that is, at the place in northwest Guatemala where up to 1982 there was the village of the Ixil Indians. It is lunchtime. The men and the women crowd around us. Eight years ago--or was it 5 years?--the first boys from outside appeared at this place. "They promised us everything--land and houses, automobiles and planes." Eighteen months ago they burnt down Tzalbal. "We were quite sad. And then they forced all of us--including the old people and the children--to go with them to the mountains, making us march for days. In the mountains the women cooked for the boys and washed their clothes and the men sewed and brought in the crops." Some of the men even went so far as to fight alongside the extremists: "We were forced to do so, Señor."

Instead of the better life promised, the guerrilla warfare brought them distress and disease. According to a U.N. report, in some cases 50 percent of the Indians did not survive the displacement. Again and again their new masters told them that the soldiers would shoot them on the spot and that any attempt to escape thus was suicide. And they believed this, because they had heard a lot of stories about massacres perpetrated by the army. So why did they sneak off, moving by night in small groups? Their answers are slow in coming; they are reticent and even timid. "In the end it was all the same to us. We felt a quick death was better than slow starvation. And when we saw the first soldiers, we threw up our hands and shouted: 'We are not enemies!' And they did not kill us; they even helped us."

These people are too simple to be skilled at lying. An inquiry made by the United Nations has confirmed their accounts. Lord Colville, the U.N. expert dispatched to Guatemala, found "not the slightest indication of fear of the

military." Perhaps the Indians exaggerate in claiming that they "love" the soldiers. They know, however, that without the protection offered by the soldiers they are at the mercy of the guerrillas. Again and again the previous masters bring home their presence by means of gunplay in the vicinity of the village.

It has been only 6 weeks since Tzalbal came back to life. The soldiers transferred the 250 Indian families from a camp back to their devastated homeland. For the time being, some of them have to sleep in the open air, but soon there will be corrugated sheet iron on top of the many wooden posts. As we climbed aboard our helicopter, without having discovered concentration camp guards or barbed wire, the men down by the stream were working a thick clay slush, the material used for baking bricks.

The same situation prevails in Acul, on the far side of the mountains: except for the small white church, everything had been destroyed. Late last year, the 450 wooden houses of New Acul were built here, put up on a gentle slope rising from a green valley. Guatemala's president came with his entire cabinet to hand over the "model village" to the 2,600 Indians--Ixiles and Quichés. By European standards, New Acul is just a glorified shantytown. In their huts, the Indians live on the bare earth. The "Avenida" of the "Chinese Republic," which helped to finance the project, is nothing but a bumpy lane. And yet the Indians are better off now: they have electric light, many water pumps, and jointly own irrigated fields.

In Acul, we see only women; dressed in colorful traditional costumes, they are working in the fields. The men of the village help out in Tzalbal or they make patrols of the mountains--a "civil defense" service obligation they have to meet every 11 days.

A wily sergeant--wearing his beret at a jaunty angle and his Israeli "Galil" gun at the ready--escorts us as we go back to the helicopter. We question him about the guerrillas. He first informs us that the guerrillas are "delincuentes subversivos," subversive criminals; he then asks the commanding officer whether he may elaborate. "Yes, a few days ago there was another brief skirmish." We ask him how the guerrillas will treat him, if he is captured. The sergeant does not understand the question. "What do you mean by that?" Finally he catches on. "No, that is inconceivable; such a thing does not happen." Death yes, captivity "nunca," never. He says this without any emotion. It is obvious why there are practically no prisoners in this dirty war.

Our helicopter is spiraling up again. Over to the side, we see fires on the mountain slopes. The Indians keep to their old way of clearing the woods by fire. Colonel Matta points to a brown serpentine line. "That road was built by our soldiers." The karstic terrain offers ideal fighting conditions for guerrillas. Sparse stone-pine forests, deep gorges. Far down below, we see small streams, and up on the plateaus, harvested cornfields.

It is not by accident that our last stopover is at Panajxit. As we are circling above a meadow, down below the men of the civil defense service come

running up. Proud as Punch, 19-year-old Iberio Lopez reports to the Colonel. The three chevrons on his shiny straw hat show him to be "first sergeant" of the 5th platoon. The 70 Indians under his command include a 74-year-old man and a boy of 14. Most of the men shoulder thick clubs, because--we are told by Iberio--they are not yet able properly to handle a rifle.

A rather comical picture. And yet they are not just playing at soldiers. As we question the Indians, the sentries up there on the two watchtowers keep looking out for the enemy. On 16 August 1981, the people of Panajxit got to know the enemy. Everyone remembers that Sunday. On that day, a large number of them went to town by truck. Three kilometers outside the village they were stopped by masked men in uniform. "They shot or killed with machetes 52 men whose names were on a list," says Maria Sapeta, who had to watch as the guerrillas cut the throat of her husband and her brother-in-law. "The blood flowed like a stream." The question as to the reason is met by silence. Probably the victims were "punished," because they had refused to cooperate with the extremists. Now that the Panajxit men have their rickety watchtowers and old rifles they no longer feel so utterly vulnerable. Are they pressed into service? "No, no, we are glad to be able to protect our families."

We land at the headquarters of Military Zone 20. At the wall of a hut, Guatemalan slogans are displayed: "Only he who fights has the right to victory. Only he who is victorious has the right to live." A few recruits are running across the drill ground. "They spent 6 months in the mountains," a major tells us. "The soldiers in El Salvador get restless after no more than 15 days of front-line service." Before they can go on leave, some of the soldiers are ordered to do a few dozen push-ups. The men of the 3rd company are lifting tree trunks, counting to 6 at each repetition. None of them is perspiring.

The commanding officer invites us to a briefing. He is in charge of Quiché Departamento in northwest Guatemala, a poor, desolate region inhabited by half a million people; 85 percent of them are Indians. Twelve years ago, the first guerrillas appeared in this region. According to Colonel Matta, they started out with 10 combatants and by 1981--numbering 300 to 400 fighters--they controlled 90,000 people. During the first phase, says Matta, the "army of the poor" more or less refrained from violence; subsequently they perpetrated dozens of acts of violence in his district alone, killing a few hundred people, including women and children. Matta does not know anything about the army massacres branded abroad. He is positive that under his command such a thing has not happened. Actually, he could be right, for since the generals realized that they can win only if they get the population to cooperate, they have been acting less ruthlessly. "Thanks to the guerrillas, we have come to recognize the country's social problems," the Colonel tells us; "the best way of fighting the subversion is to improve the miserable living conditions that caused this uprising." The commanding officer is proud of the fact that in his zone he has established 48 health centers and 60 schools. His 1,200 troops and the 77,000 men of the militia have pushed back the "demoralized" guerrillas of Quiché--whose number has allegedly been reduced to 100--to a small region in the northwest inhabited by 5,000 Guatemalans.

In spite of this undisputed success, Major Aragon looks dissatisfied. "We are spending so much money to inform the journalists, and yet we again and again read lies about us in the world press."

8760

CSO: 3620/386

STATUS OF LOCAL GOVERNMENTS HIT; ELECTIONS POSSIBLE

PNP Criticism of Government

Kingston THE DAILY GLEANER in English 12 Jul 84 p 13

[Text] The PNP Spokesman on Local Government, Mr Ralph Brown, has called for a policy statement from the Government as to the future of Local Government, Mr Brown said in a press statement that he sees as an erosion of the function and authority of the Local Government structure "against the background of continued speculation that the KSAC Council is to be dissolved and Commissioners placed there to administer the affairs of the city."

Mr Brown said that the recent slashing of the KSAC budget by some \$36 million dollars was further indication that the Government attaches low priority to Local Government.

"Since 1981 there has been a steady erosion of the powers of Local Government with several subject matters being removed from that Ministry to other Ministries. Chief among the subjects removed are National Water Commission, Disaster Preparedness, Eventide Home and authority to approve building plans for the Corporate Area," the statement said.

"Already, Parish Councils are hardpressed to maintain even the minimum level of service to the communities they serve because of being strapped for funds. Such services as garbage collection, public health, mosquito eradication programmes and road maintenance are all but nonexistent.

Mr Brown said that the budget of the ISAC has been slashed at a time when the Corporation has been unable to get increases in certain rates although applications for such increases have been before Central Government for some time. With the cutting of the KSAC budget and the cutting of Parish Council budgets on a whole, Parish Councils will have to further reduce their services to the public.

"Continued stripping of Local Government authorities of their powers in this piecemeal fashion leaves one to wonder what future there is for Local Government," the statement said.

Elections Alert

Kingston THE DAILY GLEANER in English 13 Jul 84 pp 1, 3

[Text] Parish councillors are being advised by their members of parliament to gear themselves for the holding of local government elections, which could be called "at any moment now."

This was disclosed yesterday at the monthly meeting of the Hanover Parish Council by Councillor K. Barnes, who said that Councillors had received letters advising them that Local Government elections were soon to be announced.

His disclosure triggered a row in which his colleagues reprimanded him for making such a statement in the presence of the press, and before the Prime Minister had made the official announcement. The Councillors contended that the letters were sent on a confidential basis and should have been treated in such light.

Councillor Barnes' statement on the imminent elections came against the background of what he described as the need for funds to assist the Councillors in preparing for the election.

He observed that in suggesting that Councillors "gear" themselves for early elections, the Members of Parliament should have taken into account the necessity of special funds to finance projects in the various divisions.

It was the general feeling of the Councillors that the Council was in urgent need of funds.

The Secretary of the Council, Mr E.B. Grant, said that a cheque received recently from the Ministry of Local Government "cannot pay Councillors, much less staff."

Referring to the need for special meetings to discuss urgent issues, Mr Grant pointed out that the Council had to be careful about extra meetings because there was no money to compensate Councillors for their travelling.

Local Government elections were due in June but legislation postponing them for a year was enacted in April.

During the Senate debate on the relevant bills Senator the Hon Dr Ronald Irvine said it was the intention of Government to call the elections whenever the new voters' lists were ready and everything was in order.

The Hon. Bruce Golding, Minister with responsibility for elections, told the House of Representatives on June 19 that final voters' lists are expected to be published by the middle of August.

SEAGA GIVES PARLIAMENT DETAILS CONCERNING IMF LOAN

Kingston THE DAILY GLEANER in English 11 Jul 84 pp 1, 3

[Text] Details of the stand-by arrangement with the International Monetary Fund for assistance to the extent of US\$67.2 million, as from April 1, this year, were tabled in the House of Representatives yesterday by the Prime Minister, Rt. Hon. Edward Seaga, in his capacity as Minister of Finance.

A Ministry Paper, setting out the details, made special mention of the reduction in the Government bureaucracy during the current financial year which will reduce the number of posts by 6,200.

This decision was reported by the GLEANER this past weekend, along with other aspects of the agreement with the Fund.

Mr Seaga also laid on the Table of the House yesterday a copy of the Letter of Intent sent by the Government of Jamaica to the Fund, supporting its application for the grant of the stand-by assistance.

Following is the text of Ministry Paper No 50, dealing with the stand-by arrangement:

"On June 8, 1984 the Executive Board of the International Monetary Fund approved a Stand-by Arrangement for Jamaica. This approval was, however, contingent upon Jamaica making satisfactory arrangements to refinance certain debts to the Central Bank of Trinidad and Tobago.

"This refinancing arrangement was completed and the Stand-by Arrangement became effective on June 22, 1984. Concurrently, a request by Jamaica for a drawing under the Compensatory Financing Facility of the International Monetary Fund was also approved by the Executive Board of the Fund.

"The Stand-by Arrangement covers the Fiscal Year April 1, 1984 through March 31, 1985 and provides resources totalling SDR 64.0 million (US\$76.2 million). These resources are available in five tranches and the first drawing amounting to SDR 14.6 million (US\$15.3 million) was made on June 26, 1984.

"The Compensatory Financing Facility amounting to SDR 72.6 million (US\$76.2 million) was also drawn on June 26, 1984.

"The Honourable House will note the staff adjustment programme set out in paragraph 21 of the Letter of Intent attached.

"This programme envisages a reduction in the Government bureaucracy during the current Financial Year of 6,200 posts. At present, in round figures, the Central Civil Service comprises some 35,000 posts; Local Government 16,000; Teachers 22,000; Police, including Special Constables 10,500; and the JDF, plus Statutory Bodies and Government Companies a further 32,000 giving a total of 115,500 persons.

"In addition, there is a substantial number of temporary staff not related to the vacancies and staff employed on projects being undertaken by various Ministries throughout the country. The number is now being determined.

"It is intended that the target of a 6,200 reduction in staffing throughout the public sector be met substantially by a process of resignation and retirement and the release of staff excess to the establishment through redundancies as well as the freezing of vacancies.

"The target for attrition is 1,500 for 1984'85. Up to the end of June, progress was on target as in that period of 669 officers retired from the Central and Local Government and 81 resigned. Projected over the full year this represents 3,000 and it is not intended that more than 1,500 or 50 percent of the vacancies created will be filled.

"In the case of redundancies, the programmes which relate to excess staff are in most Ministries ready for implementation and it is expected that the target of 4,356 will be met by March 31, 1985.

"As far as vacancies are concerned, 346 is the target figure and at present more than 3,000 exist in Central and Local Government. None of these is being filled unless it is essential to do so. In this area, therefore, the programme is already well in excess of the targeted figure.

"As a matter of procedure, it is intended to fill vacancies where necessary from personnel who are in excess of staff levels in other areas.

"Under the programme to restructure the Government-owned National Sugar Company, the Government has now concluded an agreement for the management of sugar estates. This agreement will be publicized shortly.

"This programme of restructuring does not involve the sale or lease of any sugar lands, but a contractual arrangement for the management of the Frome, Monymusk and Bernard Lodge factories.

"I have the honour to submit to Members of the House of Representatives the Letter of Intent from the Government of Jamaica to the Managing Director of the International Monetary Fund, dated April 25, 1984, setting out the Government's policies and objectives for the improvement of Jamaica's Balance of Payments."

CSO: 3298/1005

HOUSE APPROVES SEAGA-PROPOSED MINIMUM WAGE RATES

Kingston THE DAILY GLEANER in English 12 Jul 84 pp 1, 3

[Text]

The new Minimum Wage rates which were announced in the 1984/85 Budget speech by the Prime Minister, the Rt. Hon. Edward Seaga, were approved by the House of Representatives on Tuesday.

Under the National Minimum Wage (Amendment) Order, 1984, which was approved, the following minimum rates will become effective from July 16:

For workers other than household workers: \$1.15 per hour for work not exceeding eight hours per normal day or 40 hours per week; \$1.73 per hour for work done in excess of eight hours on a normal working day or in excess of 40 hours per week; and, \$2.30 per hour for work done during any period on a rest day or a public holiday.

With effect from January 7, 1985 the minimum rate for these workers will rise again to \$1.50 per hour for work not exceeding eight hours in any normal working day or 40 hours in any week; \$2.25 per hour for work in excess of eight hours per normal work day or 40 hours per week and, \$3 per hour for work done on rest days and public holidays.

The minimum rate for household workers has been set at \$40 per 40-hour week or \$1 per hour, \$1.50 per hour for work done during any period in excess of 40 hours in any week, and \$2 per hour for working

on rest days and public holidays.

As of January seventh, 1985, the rates for household workers will rise to \$52 per week or \$1.30 per hour for a 40-hour work week; \$1.95 for work in excess of 40 hours per week; and, \$2.60 per hour for working on rest days and public holidays.

Moving the resolution, Leader of the House and Minister of Labour, the Hon. J.A.G. Smith, said that in arriving at the figures consideration was given to both those who would earn the new rates and those who would have to pay them.

He said that no government in setting a minimum rate could fail to recognise that if all the factors were not taken into consideration it could well reduce jobs.

He said that in making it two-tiered consideration had been given to the fact that there were some persons who were paying workers the minimum rate as a base rate and leave pay was also being calculated on the minimum rate.

He said that the rate should be considered as a guide rather than an actual sum that should be paid.

Miss Princess Lawes (North-Western St. Ann) said that the increase was long overdue and she felt that workers were extremely grateful and happy with the improvements.

She said, however, that she did not agree with the idea of having a different rate for household helps from other workers, and she thought they should be given just as much.

Mr. Smith in closing the debate said that in arriving at the figures the Minimum Wage Commission had taken evidence from "many spheres", including the trade unions and the employers.

He said that the minimum wage was set specifically to assist the non-unionised workers as the trade unions were quite capable of negotiating improvements for the workers they represented.

GOVERNMENT LAYOFFS, IMPLICATIONS OF IMF DEMANDS CAUSE CONCERN

Call for Talks on Redundancies

Kingston THE DAILY GLEANER in English 20 Jul 84 pp 1, 3

[Text]

Three organizations representing workers in Central and Local Government have called for dialogue with the Government on the reduction of staff in the public sector.

The Jamaica Civil Service Association in a release said that it abhorred the fact that to date, the Government has had no dialogue with the association concerning the issue. The association said that the behaviour of the Ministry of the Public Service (M.P.S.) was incompatible with good industrial practices and could provoke industrial unrest.

The Association said that it had certain positive proposals which if implemented could obviate the need for such a "substantial" reduction.

The NWU has proposed to the Minister of Labour, the Hon. J. A. G. Smith, that he summon a meeting between representatives of the M.P.S., the BITU, NWU, TUC, JUPOPE

and JALGO, under his chairmanship, as soon as possible, to discuss "in its widest terms" the whole question of the redundancies in the public sector and to put in place plans to reduce the hardships upon the workers.

The Jamaica Association of Local Government Officers (JALGO) has called on the Minister of Local Government, the Hon. Neville Lewis, to see to it that proper industrial relations practices were observed by the K.S.A.C. and the Parish Councils and that there be immediate consultations between the Councils and JALGO's representatives to discuss the whole question of lay-offs and/or redundancies as a matter of urgency.

Union Concern Over IMF Pact

Kingston THE DAILY GLEANER in English 20 Jul 84 p 3

[Text]

Six of the island's major trade unions — the BITU, NWU, TUC, JUPOPE, UTASP and JALGO — have written the Minister of the Public Service, the Hon. Errol

it should be recalled that assurances were given to the unions that where lay-offs were to take place, there would be prior discussion with the unions before any implementation.

Anderson, calling for an urgent meeting to clarify points raised by Prime Minister Edward Seaga on the implications for labour of the recent IMF agreement.

Mr. Seaga met the unions at Jamaica House on Saturday and during the discussions attention was paid primarily to the Government's approach to labour demands in the economy in relation to the Structural Adjustment Programme.

The Prime Minister said then that no hard guidelines were laid down in order to keep the situation relatively elastic. However, it was broadly conceived that a 15% spread was the goal at which the union negotiations should aim depending on the viability of the companies, or agencies of Government involved.

In a letter to Mr. Anderson, the text of which was released to the Press yesterday, the six unions said that their understanding of the position as stated by the Prime Minister was that there would be the introduction of wage guidelines; there would be lay-offs in the Civil Service of around 6,000 workers; and, lay-offs that take place in the Local Government service and Statutory Boards were due to budget cuts.

The unions said that in keeping with the points dealing with lay-offs,

The unions said that with regards to the wage guidelines several points of necessity would arise, including:

- (a) Where settlements had been arrived at in good faith between the unions and companies which were over and above the stated guidelines;
- (b) Where offers had been made to the unions which were over and above the stated guidelines and the workers had already been informed;
- (c) Where public and private companies possessed the ability to pay workers over and above the stated guidelines.

"In keeping with the foregoing, the BITU, NWU, TUC, UTASP, JUPOPE and JALGO are calling upon you to convene a meeting as a matter of dire urgency as many wage negotiations are now at a standstill and clarification of all the points raised herein are matters of the utmost urgency," the letter said.

The Gleaner understands that the new guidelines involves the following: A 10% or \$15 per week limit on public enterprises with budgetary support; public sector enterprises without budgetary support are limited to up to 15%; and, private sector enterprises will have no fixed levels, but must not jeopardize the gains made from the devaluation of the dollar.

Manley Criticism

Kingston THE DAILY GLEANER in English 18 Jul 84 p 2

[Text]

The People's National Party has condemned what it said was "the arrogant decision taken in the I.M.F. Board room in Washington to destroy the lives the lives of people in Jamaica."

Conveying the position of the party on the decision to lay off Civil Servants at the People's Forum at the National Arena on Thursday, President of the P.N.P., Mr. Michael Manley said that the Party was demanding the Government sit with the Jamaica Civil Service Association and the other trade unions to enter into a dialogue about how to achieve savings and save the jobs of the people of Jamaica.

He said that the Government was run by a Civil Service, but the Government had not called in

the Civil Servants to discuss the decision to lay off 6,000 of them taken months ago.

"I say that the act of planning to destroy the 6,000 human beings in the Civil Service without even the decency of one word to their Association is one of the most morally depraved things I have ever seen that happened to this country," Mr. Manley noted.

He said that the Party did not believe that it was only 6,000 Civil Servants who would be laid off, adding that there had been a massive 25 per cent cut to Local Government authorities' allocations and as a result further thousands were going to be dismissed which had already begun in the K.S.A.C.

"I believe that the Government is lying to Jamaica when it says it's going to save \$40 million this year," which he said had been put out because the Government wanted things to look good for the I.M.F. and also in the hope that Jamaicans would say that it was hard but it would be better to go along with the Government.

Five months out of the year had already gone out of 12 months pay which had been paid, severance pay has also got to be paid and this these two were added up coupled with allowances, Mr. Manley said that the Government was "lying to its teeth" about the \$40 million savings.

Noting that the Civil Service Association and the unions had been proposing that they could work out moves to effect savings, Mr. Manley said that what the party condemned absolutely "is the arrogant decision taken in the Board room of the I.M.F. in Washington to destroy the lives of people in Jamaica."

Mr. Manley said that the Party was demanding the Government sit with the Civil Service Association and the other trade unions so that they could enter into a dialogue as to how to achieve savings.

MORE POLITICALLY ORIENTED VIOLENCE; GOVERNMENT EYES RESPONSES

Meeting on PNP Meeting

Kingston THE DAILY GLEANER in English 11 Jul 84 p 3

[Text]

Two people were shot and wounded and the police stoned in violence which erupted after Jamaica Labour Party supporters tried to break up the North Trelawny People's National Party constituency conference Sunday afternoon, the Police Information Centre said.

According to the PIC, about 5 p.m. Sunday the PNP conference was in progress at the Falmouth All-Age School when a group of JLP supporters went there and attempted to break it up. The police were called and on their arrival these people left for a housing scheme in the area where it was reported that they attacked known PNP supporters.

The police went there and were stoned. During the fracas two people were shot by persons unknown. They are Christopher Jackson, of Falmouth, who was admitted to hospital, and another 17-year-old youth known only as McAlpine, of Falmouth also, who was treated and sent home.

The area returned to normal after a short while with the intervention of the MP for the area and the police action, the PIC said.

Calling for the "highest level of investigation" into the incident, the North Trelawny PNP constituency said a car belonging to the JLP MP, Mr. Keith Russell, was used to transport "JLP terrorists" to disrupt the meeting.

According to the PNP release, signed by Mr. Desmond Leaky, PNP constituency representative for North Trelawny, the PNP meeting was progressing peacefully "when a group of JLP terrorists invaded the premises. The police were called in and the JLP group retreated. However, they later regrouped and proceeded to terrorise a section of the town."

During the rampage, the PNP said, two people were shot and wounded — 19-year-old Audley McAlpine and 16-year-old Christopher Jackson. The homes of Lloyd Williams, Dimple Scott and Riley Stewart were damaged.

"The North Trelwany PNP constituency wishes to condemn the behaviour of the JLP MP who not only failed to restrain his band of supporters but appeared to play an active role in the incident," the PNP said.

Razing of WPJ Office

Kingston THE DAILY GLEANER in English 11 Jul 84 p 3

[Text]

The Westmoreland headquarters of the Workers Party of Jamaica at Georges Plain was burnt down Friday night, the WPJ said in a release.

Furniture and office equipment were destroyed in the blaze but no one was injured as party workers and supporters had already left the office.

The WPJ said arson was suspected and WPJ general secretary, Dr. Trevor Munroe, had cabled the Minister of

National Security and Justice, the Hon. Winston Spaulding, urging an immediate investigation at the highest level with a view to bringing those responsible to justice.

Confirming that arson was suspected the Police Information Centre said damage was estimated at \$155,000. The Frome police are investigating.

Government's Reaction

Kingston THE DAILY GLEANER in English 11 Jul 84 pp 1, 3

[Text]

Attorney General and Minister of National Security and Justice, the Hon. Winston Spaulding, said last night that he welcomed and joined the call made by a number of persons, including the *Gleaner*, for the integration of the role of various institutions fighting against crime in the society.

"I welcome the debate about forms that we are using as legal and constitutional forms; the relationship between the Ministry and the Police; the debate about violence generally, and political violence in particular...I join the call made by a number of persons, including the *Daily Gleaner*, for the role of various institutions to be integrated into an effort in this direction."

Mr. Spaulding made the statement as he spoke in the second segment of the sectoral debate in the House of Representatives.

He said that any form of political violence should not be condoned, but condemned, but he said:

"To deal with it when it is so entrenched and so endemic — when it operates through pressure, and when it operates in ways that are real problems in certain areas in relation to the capacity of the society to deal predominantly and precisely with it, is something to be looked at."

Mr. Spaulding said that he was looking forward to discussing the matter with various interested organizations.

He said that the Ministry has been working with various advisory teams on proposals for the establishment of a National Criminal Justice Planning and Research Advisory Council were being finalised to be presented to the Cabinet. It was based on recommendations made some years ago by a United Nations team.

The team which has been looking at the proposals has been having discussions with various persons and institutions, in order to see how common goals and objectives could be achieved by methods similar to the Ministry's proposals.

"We are looking at several proposals to see how various committees may be established to deal with the problem at various levels and from different perspectives," the Minister said.

He said that Mr. Donald Rainford, former Permanent Secretary in the Ministry of National Security, would continue to play a strong co-ordinating role in that area.

The Minister is to meet shortly with the Private Sector Special Crime Committee and it was hoped that certain announcements in that area would be made shortly.

"I am confident that the direction in which we are moving is both appropriate and timely," Mr. Spaulding said.

He said that a team of legal experts including the Director of Public Prosecutions, the Director of Legal Reform, the Chief Parliamentary Counsel and representatives of the Attorney General's Department were looking at procedures related to the establishment of suitable mechanisms to deal with complaints against the Police, which were separate and apart from internal measures which were being strengthened.

Mr. Spaulding said that 221 buildings housing police stations across the island had received some form of attention since 1980, and that in 1983/84 there were nine major upgrading projects and 67 general improvement projects.

Over \$11½ million was spent over the three years in undertaking improvements to the buildings, with \$3.5 million spent last year. Some 658 vehicles and motorcycles were given to the Police force during the last three years.

He said that great emphasis was being placed on vetting recruits by the Commissioner, but the quality of persons who could be recruited was bounded by the pool of available persons.

PNP CALLS FOOD PROGRAM AN 'ADMISSION OF FAILURE'

Kingston THE DAILY GLEANER in English 11 Jul 84 p 1

[Text] The leader of the People's National Party, Mr Michael Manley, yesterday dismissed the Government's food stamp policy as "an admission of total national failure."

Mr Manley was addressing the Jamaica Agricultural Society's 89th annual general meeting held at the Bank of Jamaica auditorium, Nethersole Place, Kingston.

The PNP president while admitting that the help under the food stamp programme was a welcome relief among the poor of Jamaica, catalogued certain criticisms he had of the application of the programme.

The Government could do more than merely handing out stamps which do not help farmers, according to Mr Manley. He suggested that the production of cassava could be "married" to the importation of wheat as there was an untapped resource for starch production in Jamaica.

The importation of salt-fish should also be tied to a greater production of bananas so that local farmers could benefit directly from the programme, he said.

Speaking on Agro 21, he said that while he had no objection to the idea of using "sophisticated and capitalized organization for basic agricultural development" he was afraid that Agro 21 was becoming too much of a public relations exercise for the Government.

Secondly, the programme had too much of a heavy dependence on foreign investors. This aspect, he said, had attractive short-term benefits but very high long-term price.

Mr Manley asked the Minister of State for Agriculture, the Hon. Anthony Johnson, who was present, for explanation of certain information which he said he had heard, to the effect that some Agro 21 projects, despite "tremendous support," were losing money.

Mr Manley also asked the Minister of State: Is it true that the Spring Plan project which was projected to have 2,000 acres of land under cultivation now has less than 600 acres under cultivation.

(Later, in his speech, Mr Johnson did not reply directly to the questions.)

Mr Manley said it was in the interest of Jamaica to have an audit of the Agro 21 programme, with a publication giving the full details to the public.

An attack on the Government's imports policy, especially the deregulation aspect, was made by Mr Manley, who blamed this policy for what he said was the "serious difficulty" small farmers now faced.

During his period in office, he said, his policy of controlling imports was criticized but this policy was geared at creating the opportunities for the small farmers to benefit from feeding their own nation.

In addition to the "terrible consequence for the Jamaican small farmers" which the deregulation was creating, he said, the entire country was now paying for that policy in terms of foreign-exchange shortage and heavy debt-burden.

The free market system was fine in textbooks, but was "dangerously designed to suit big countries," Mr Manley said. Hence countries like Jamaica should start with the philosophy to manage it and so get the best from it.

Turning to the subject of coffee he noted that deregulation may undermine Blue Mountain coffee because the system whereby the coffee board had to give its stamp of approval to the exports may cease.

Mr Manley, in observing that Jamaica could only develop successfully on a good agricultural base, called on the Government to reinstitute "a dynamic and aggressive policy of land reform." He charged the J.A.S. with their responsibility and role in providing the framework within which such a policy could be successfully implemented.

Mr Manley's address was followed by Mr Johnson's which replied in part to some of the queries posed by Mr Manley. The meeting ends today.

CSO: 3298/1005

GOVERNMENT SEEKS PRIVATE AID TO OFFSET PUBLIC HOUSING CUTS

Kingston THE DAILY GLEANER in English 12 Jul 84 pp 1, 3

[Text] Major cutbacks in the public housing sector were outlined to the House of Representatives last night by Minister of Construction, the Hon Bruce Golding. He said that discussions are taking place between the Government and private financing sources on obtaining funds to continue projects which have been affected by cuts in the budget.

Mr Golding was referring, in the second sectoral debate, to claims made last month by builders that they were unable to collect payments from several Government housing projects since last year.

The Minister said that discussions were taking place now and the Ministry was hoping to be able to continue construction on those projects on which work was already started. He said, however, that resumption would depend on whether nonbudgetary financing could be obtained.

The Minister said that the problem started last year with the cuts in the budget and the signing of contracts for new projects had to be stopped. He said that the Ministry ended the last financial year with roughly \$9 million worth of bills that it could not pay, in terms of work done by contractors and certificates submitted which the Ministry did not have the funds to cover.

He said that the figure of \$9 million was significant because it was \$9.6 million that was withdrawn from the Ministry's budget last year.

The GLEANER learnt from the Minister after the sitting that of some 26 public housing projects, 21 are affected, while the other five which are being financed by USAID were not affected. Several of the contractors had already received notices for closure but the projects have not been formally closed.

He told the House: "This year we face a problem. Let me tell the public that we face a serious problem, because we have projects under construction that we are not able to maintain the construction under the budgetary reductions, unless we are able to work out some arrangement to finance the projects," Mr Golding said.

He said that it worried him not just because of the number of projects affected and because of the impact on the general unemployment situation as well as the

ability of Members of Parliament to relieve the unemployment in their constituencies through such projects:

"But you know what worries me more than anything else? It worries me not only in relation to Housing, but Works as well; is that having cranked up the machinery, having gotten everything worked up to that level of passion and commitment, the demoralizing effect of that on the staff, particularly the professionals."

Mr Golding said that even if he had the amount to spend in 1981 he could not have spent it because there were no projects nor was there the level of commitment to carry them through. He said that the Ministry had spent a lot of time in 1982 developing the plan and spent 1983 signing contracts and starting projects on the assumption of the availability of \$150 million for housing.

He said that when the Ministry structured the National Housing Policy, it determined that in order to meet the country's housing needs by the end of the century it was necessary to build some 12,000 houses annually.

The Ministry sought to identify the sources that were available to the Housing sector. It was calculated that approximately \$350 million was required in direct housing investments to achieve the target.

When the resources that were going to be available were calculated, only \$150 billion could be identified for spending in the public sector.

"We knew that although we could count on a significant level of investment in the private sector, because of the levels at which they were operating, the kind of houses they were building and the prices at which those houses were being sold--we knew that while we could count on a significant level of capital investment then, we could be producing a proportionate level of investment compatible to what was being done in the private sector.

"Our housing policy was basically predicated on public sector housing investments at roughly \$150 million per year."

He said that the \$150 million would be made up of \$30 million from the budget, \$5-\$6 million from the recovery of collections, \$27-\$30 million per annum from the USAID and \$85 million from the National Housing Trust. However, last year there were budgetary reductions and this year because of further financial constraints the budget has not contributed anything to the Housing Fund.

In addition, \$6 million from the USAID funding would be for nonbuilding purposes as it would be used for settlements upgrading and support for Credit Unions, the NHT contributions would be significantly reduced while about \$6 million would be recovered from collections.

CSO: 3298/1006

TEXT OF SIMMONDS' ELECTION VICTORY ADDRESS TO NATION

Basseterre THE DEMOCRAT in English 30 Jun 84 p 12

[Text of 29 June 1984 radio and TV address by Prime Minister Kennedy Simmonds]

[Text] Fellow citizens, good evening.

On 21st June you went to the Polls to elect a Government for the first time as Citizens of a Sovereign Independent Nation. I wish to congratulate you and thank you for the calm and mature manner in which you conducted yourselves during the campaign and the entire election process.

History Created

The election is now history--and it created history: never before in the history of this country has there been such a high level of participation by the people in a General Election. For the first time, the young people of this country were constitutionally able to vote. Better-prepared for this sacred duty than ever before, the 18 year olds, the 19 year olds, and the 20 year olds, with their vision of a better future, accepted the challenge to vote for a Government of action and compassion.

For the first time, the new system of continuous registration was implemented for the convenience of voters, with such success that 4,166 voters were registered, an increase of more than 25% over the electorate at the previous General Elections. For the first time, an Electoral Commission set up under the new constitution supervised the Supervisor of Elections and gave advice where appropriate and necessary for the better administration of the preparations for the elections. For the first time, there was a massive turnout of voters, reaching in St. Kitts a figure in excess of 80% of all those on the register of voters and in St. Kitts and Nevis 77.7%. It is estimated that in one constituency, that of Sandy Point, when one takes into account the number of voters who were away from the country on business or for other personal reasons, over 90% of the available electorate exercised their franchise.

Order and Freedom

Impartial observers visiting our shores on Polling Day were heard to remark that it appeared merely to be another busy day. More than anything else, that atmosphere of "business as usual" sums up the very high level of order and

freedom which prevailed. I think that this backdrop to the elections is of tremendous significance, because it underscores the fact that the overwhelming endorsement given to my party in its landslide victory is indeed a free expression of the will of the people in this country. I believe too that it was an outpouring of a fervent belief in and commitment to the preservation of democracy in our society. Indeed freedom and democracy are alive and well in St. Kitts and Nevis.

Vote of Confidence

I wish to thank you for your outstanding vote of confidence in my leadership and that of my colleagues in the PAM and the NRP. With six of eight seats in St. Kitts to PAM and a clear sweep by the NRP in Nevis, you have given us a clear mandate to build upon the solid foundation of progress which we laid in our first term. You have given the green light for us to continue our comprehensive programme of diversification, investment generation, job creation, community development and people development, which we are poised to more fully implement.

The people have spoken. Let us all be guided accordingly. Election time is by its very nature a time when differences are accentuated and divisiveness is inevitable. Now that the election is behind us, this is the time for us to come together and face the future as one people. Let us not muddy the water from which we must all drink. We have a tremendous task of nation-building ahead of us, and it requires the creative and productive energies of each and every one of us. The level of the nation's productivity is but the sum total of the individual productivity of each of us.

Government of All the People

The programme of development which we will carry out is the one outlined in our Manifestos which you have mandated us to implement. We are now the government of all the people and we seek the cooperation and assistance of all of you so that we may bring even greater benefits to every individual. I challenge you to let patriotism supersede partisanship, because the quality of your own life will improve as the country makes progress. Our mandate calls upon us to make progress at all cost, and hence requires that we surmount all obstacles to progress.

Unity, peace, stability and productivity are the keys to success in nation-building. Let us, as a people, exhibit these qualities in full measure.

Fellow citizens, we have been richly blessed. Let us continue to give thanks to Almighty God for His goodness to us. And let us help ourselves even as He has helped us.

Let us close ranks now and strive together for progress.

Good night. God bless you.

CSO: 3298/1008

PRE-ELECTION PARTY ACTIVITIES, PROGRAMS SPOTLIGHTED

MNU Platform

Kingstown THE VINCENTIAN in English 29 Jun 84 p 4

[Text]

The publication "Programmatic Platform and Party Constitution of the Movement for National Unity (MNU)" is an interesting book. It bears all the marks of Ralph Gonsalves' well known propensity for scholarly presentation of a subject, to which he has devoted considerable research and effort.

The book is presented as a party production, but there is an Introduction by the MNU's Political Leader, Ralph E. Gonsalves himself. This introduction gives a truthful indication of what the book does, and we do not think we can do better than quote a relevant passage: "it traces the historical evolution of our political economy and explains the development of classes and the state; it analyses the contemporary national economy; it discusses the whole range of issues related to education, culture, health, welfare and social matters; it delineates the character of the MNU and the historical context in which it has been formed; and finally, it outlines the principles and policies of the MNU."

Part 1 consists of 32 pages of interesting

history. It records the effect of the arrival of the Europeans on the Caribbean (or Callingo) communal socio-economic formations; recounts the development of the capitalist mode of production under the slavery and apprenticeship systems; and finally tells of the development of the class struggle. (Class differences had barely begun to impinge on the Carib society when the Europeans arrived but it developed rapidly under slavery, and continued to diversify after emancipation in a pattern influenced by land ownership. The progress of the beginning and challenge of the commercial elements for status is noted and the 1935 riots and their effect on the political situation and subsequent events are observed.

Part 2 paints in some detail an unhappy picture of the current state of our economy.

Part 3 criticises the education system; the attitude of the Labour Party Government to culture and the threat to it of the North American portrayals on radio, to and films as well as in books.

The inadequacies of health, welfare programmes and policies involving workers, farmers, women, the old and the young are emphasised.

Part 4 puts the MNU in its historical context for the benefit of readers.

In Part 5 the publication sets out the principles and policies of the MNU — including "the ten principles of socialist orientation." These involve: obliteration of imperialism's political domination, and economic control; development of the mixed economy; ridding the country of exploitative and irrelevant political culture (including ideology); engendering of new attitudes to work and production; advancement of political democracy; transfer of power from politically backward elements to socialist-oriented patriotic forces; development of planning machinery and scientific techniques; raising of the people's living standards, and building of class and political alliances.

The book concludes with "Constitution of Movement for National Unity".

Mitchell TV Address

Kingstown THE VINCENTIAN in English 29 Jun 84 p 4

[Text]

Opposition Parliamentarian James "Son" Mitchell spoke to Vincentians for half an hour on SVG TV on Friday night. For hours previous to Mitchell's broadcast the station had been complaining of "low power" but although the picture was not of the best the voice of the New Democratic Party Leader came through with great clarity.

Mitchell told the nation that the two things requiring priority in any government programme for the improvement of the economy of St. Vincent and the Grenadines are planning and targets. He indicated that these two essentials would be the keynote of NDP policy if his party formed the next government.

Plans for St. Vincent and the Grenadines Mitchell believes should centre around a back to the land drive that would involve not only farmers but all the people. In his view targets for production should be set — especially in respect of food. For production targets to be met land

available to the people.

Mitchell noted that he had initiated a land policy along these lines during the two and a half years from 1972 to 1974 when he was Premier.

In connection with planning Mitchell, who is Parliamentary representative for the Grenadines, noted the importance of a clearly defined programme for the development of tourism.

He declared that priority should be given immediately to the target of establishing an international airport. In Mitchell's opinion this is a must not just for tourism but for the movement of our products and people.

In connection with the forthcoming General Election Mitchell declared that his party is ready with a team of accomplished young men to compliment his (Mitchell's) experience. He stated categorically that the New Democratic Party has the answer and is the answer to the Governmental needs of the people of St. Vincent and the Grenadines.

NDP Pledges

Kingstown THE VINCENTIAN in English 29 Jun 84 p 3

[Text] SIX MAYORS IN ST VINCENT AND THE GRENADINES

One of the new ideas of the NDP presented to the electorate on SVG—Television by Party Leader "Son" Mitchell in the first ever party political broadcast in the country was the NDP concept of local government.

The plan is to divide St. Vincent into five zones of local government and to create another zone in the Grenadines. Each area will have its own elected Mayor and Zonal Council. All members of the Council will be elected. There will be no nominations by the Central Government. The local council will have designated areas of responsibility for collection and disbursement of revenue.

This proposal means

effective decentralisation of the power of Government.

The Cato regime was exposed in the same TV Programme as being entirely responsible for the existing abolition of local government. The Mitchell Government had passed an SRO in 1974 to reactivate local of the Labour Government was to keep the councils dissolved.

This new proposal will completely change the style of responsibility in St. Vincent and the Grenadines.

NDP TAX BREAK

The New Democratic Party Government in St. Vincent and the Grenadines will abolish income taxes under the level of income of \$10,000 per year.

Hon J.F. Mitchell, Party

Leader, made the announcement over Radio Antilles and Radio St. Vincent on Saturday. The Party has confirmed the statement in Public meetings over the week—end.

This tax break will affect thousands of minor salaried employees. It will affect teachers, nurses, civil servants, the police, masons, carpenters, taxi drivers,, waiters, and waitresses and a host of other categories of workers. It will relieve the tax office of the chaos of checking on small amounts of tax provide the basis of more efficiency to determine the tax payable in higher brackets.

The NDP has long been saying it will remove the 3 per cent gross turnover tax. Taxation on gross income has created a crisis of confidence in investment in the country.

NDP Recruit From PDM

Kingstown THE VINCENTIAN in English 29 Jun 84 pp 1, 12

[Text] Former People's Democratic Movement Deputy Leader Parnell Campbell has decided in his own words, to end his "political neutrality."

This week Campbell joined the New Democratic Party of James "Son" Mitchell. He told THE VINCENTIAN that although it was too late to consider candidacy, he would take a very active part in the forthcoming elections and be on NDP platforms supporting the party candidates.

Campbell impressed himself on local consciousness when as a mere youngster he became one of the founder-members of the Educational Forum of the People—a group that sought to bring political education to the masses of St. Vincent.

In 1974 the Educational Forum became a political party, under the name of Democratic Freedom Movement (DFM). Two of its members stood in the 1974 General Elections—Kenneth John (the Leader) and Eddie Griffith (the chairman). Neither found favour with the electorate.

In 1978 the DFM combined with the People's United Congress of Carlisle Dougan to become the People's Democratic Movement (PDM).

Shortly before the 1979 elections PDM entered an alliance with another joint group consisting of Yulimo and Arwee. It was an alliance not a merger. The new alliance called itself the United People's Movement. UPM entered 12 candidates for the election--including Campbell. Some of them, especially Campbell did quite well at the polls but none won a seat.

Soon after the election PDM withdrew from the UBM because of ideological differences.

Since the 1979 elections the PDM has been completely dormant. One of its members, Eddie Griffith, joined the NDP some time ago and is that party's candidate in the East Kingstown Constituency.

Parnel Campbell's decision to throw in his lot with the NDP has been applauded by many of his friends and admirers.

THE VINCENTIAN asked Mr Campbell what had prompted his decision.

He said, "I have had four years of sober and mature reflection in which I have not been involved in political activity at all; although I have been active behind the scenes in various organisations.

I think I am needed at this crucial time, and I have decided to respond to that need."

NDP Candidates

Kingstown THE VINCENTIAN in English 6 Jul 84 p 1

[Text] The New Democratic Party presented its slate of candidates for the forthcoming General Elections to a mammoth crowd of Vincentians on Wednesday night July 4. People came from all over St. Vincent and as far afield as Bequia for the occasion.

The thirteen candidates are: James Mitchell (Grenadines), Marcus DeFreitas (West St. George), Olin Dennie, (North Leeward), David Jack (North Windward), John Horne, (West Kingstown) Edward Griffith (East Kingstown), Herbert Young (Central Leeward), Oswald George (Marriaqua), Allan Cruickshank (South Windward), Jeremiah Scott (South leeward), Louis Jones (East St. George), Julian Boyea (North Central Windward), Burton Williams (South Windward).

Nomination Day was Friday 6th July.

Besides the candidates, those who took the rostrum, at the Market Square at the NDP presentation included Emery Robertson, Owen Walker and Parnel Campbell. The last named referred to his 1-year absence from politics. He noted that in the interim he had examined the parties carefully and come up with the firm decision that the NDP was the answer. He paid tribute to the courage, and ability of the NDP President James Mitchell and told with pride of the international respect in which is held. Campbell pledged his support to Mitchell as his Leader.

NDP Victory Prediction

Kingstown THE VINCENTIAN in English 7 Jul 84 p 4

[Ken Johnson column "This Week": "General Elections Background"]

[Text] Editor's Note: Since the submission of this column, the NDP has officially declared John Horne their candidate in West Kingstown.

This column was submitted last week Friday morning, and Ex British P.M. Harold Wilson has reminded us that a week is a long time in politics. There could well have been one or two changes in the line-up by Nomination Day, today, for instance.

On July 25 we got to the polls for the first time since 1951 without the imposing presence of Ebenezer Joshua. But the political ghost of Joshua still stalks in the land insofar as Labour's grip on the support he delivered to them ten years ago has now loosened with NDP as the chief beneficiary. Joshua's own stronghold of South Central Windward is the classic case in point.

An interesting factor in this election is the diminished public role of lawyers in the main opposition striking force, the NDP, which has put up a solitary legal man, Olin Dennie. UPM will offer two lawyers, Cuffy and Saunders, on their slate of eight and MNU only Ralph Gonsalves on their five-man team. Labour has again named a battery of lawyers in Cato Tannis, Dacon, Williams and Isaacs. The name Stalky John was for a time also bandied about as a possible replacement to Valcina Ash, Labour's sole female candidate. NDP has come up with no woman while UPM surprised with Nelcia Robinson, the recently appointed president of the National Council of Women.

There have not been many changing partners this time around. Russell and Calder Williams, renegades of Labour and NDP are doing their own little thing in the PDP and Victor Cuffy who left the NDP went to the UPM via Calder's ill-fated WPP. Former leader of the UPM, Ralph Gonsalves, now heads the MNU.

The presence of third and fourth parties (Labour and NDP being the major groups) is likely to be a problem for NDP. Indeed one of the worries of the party is whether UPM's Allen in South Central Windward, Nelcia Robinson in South Leeward, MNU's London in North Windward, and PDP's Calder Williams in North Leeward could muster enough votes to tilt the balance in favour of Labour against their own front-running candidates--Allan Cruickshank, Jerry Scott, David Jack and Olin Dennie. Vincent Beache is reasonably assured in victory in North Central Windward owing to opposition vote splitting among Boyea, Cuffy and Gonsalves. Only in East Kingstown will Labour suffer where, by keeping some of their votes, Russell might well enhance the chances of NDP's Eddie Griffith, provided UPM's Mike Browne does not cancel out this advantage.

Beauty Before Age

A striking feature of the elections is that the ruling Labour Party continues to parade an old team of tired faces. Cato and Tannis have been knocking around national elections for more than 25 years now. Dacon, Williams and

Beache made their debut in 1972. Isaacs and Thompson have also been in the business for ten years. Ken Browne, Ballantyne and Morris are on their pension—qualifying round, while Senator Bonadie and Valcina Ash can be considered fairly recent material.

Indeed, despite Labour's boast that they are a rejuvenating party, the only really new face is Maloney for the Grenadines where Labour changes its candidate every election in a vain effort to unseat Mitchell: Ollivierre 1972; Gun-Munro 1974; Dennie Wilson 1979.

The lesser parties have brought forward a few young exciting names: UPM's Nelia Robinson, Adrian Saunders (West St. George) Gelnroy Browne (West Kingstown) and Cecil Ryan (South Windward) and MNU's East Kingstown candidate "Blazer" Williams.

But the New Democratic Party has certainly lived up to its name in this regard, attracting to its banner eight impressive and determined newcomers to enter their first general Elections: Bucky Boyea (N.C.W.); Allan Cruickshank (S.C.W.); Buron Williams (S.W.); Oswald George (Marriagua); Louis Jones (E. St. G.); Marcus De Freitas (W. St. G.); Stuart Nanton (W. Kingstown); Herbie Young (C. Leeward) and Olin Dennie (N.L.). Only Mitchell at the helm, with eighteen years experience under his belt, can be said to be a veteran in the game.

Labour's Waterloo

At this moment, I will predict an N.D.P. victory with seven seats to Labour's six, with an outside chance of N.D.P. securing an eighth seat. Of course, smaller opposition groups might work overtime to tip the scales Labour's way and punish Mitchell for not giving them an accommodation.

Labour will hold on to Marriagua (despite the political fallout of the carnival shooting incident) South Windward and North Central Windward by reduced majorities.

Only the Prime Minister himself will return his E. St. George constituency by a fairly wide margin.

Apart from the Grenadines N.D.P. will capture Central Leeward and South Central Windward by about 150 votes each, and North Windward by about 100 votes. That makes it 4 each.

There will be nail-biting finishes in the remaining five constituencies with N.D.P. favoured to being home North and South Leeward, one of the Kingstown seats and, just possibly, the West St. George seat. The expected presence of Parnel Campbell and John Horne on N.D.P.'s platform is expected to strengthen the party's appeal among the young nationally, and in and around Kingstown geographically.

A final observation is that N.D.P.'s candidates for Kingstown and West St. George, Stuart Nanton, Eddie Griffith and Marcus De Freitas, bolstered by key campaigners Parnel Campbell and John Horne, are all former members of the D.F.M. of which this columnist was a proud member.

Assessment of Parties

Kingstown THE VINCENTIAN in English 6 Jul 84 p 4

[Editorial: "Elections vs Carnival"]

[Text]

..Carnival ruled the roost last week. Thousands of visitors, mostly Vincentians, came to witness the spectacle of art and revelry for which St. Vincent and the Grenadines has built up a reputation only second to Trinidad's in the last 6 years.

..But even Carnival could not completely suppress the rising excitement over the forthcoming general elections and the reaction of the various parties and their supporters to the situation.

..The governing St. Vincent Labour Party has of course been extolling its accomplishments and achievements over the last ten years. The Prime Minister has been very busy opening institutions of various kinds and associating with good works not only in St. Vincent but also in Union Island. And of course the road gangs are busy.

..Opposition parties are taking various stands. Oscar Allen of the United People's Movement was deservedly caustic over the lack of principle demonstrated by the government over the Grafton Isaacs Contempt of Court issue. He was presenting the highly respected UPM candidate who will oppose Isaacs in the South Leeward constituency.

..Actually UPM was breaking new ground. It had never before presented a woman candidate to the electorate. For the 1984 elections UPM will field Nelcia Robinson. An erstwhile civil servant who has resigned to contest and in so doing sacrificed 20 years of pensionable service. In her address at Questelles on Wednesday night — 27th June, Ms. Robinson made a most interesting point. She advised the electorate to go to the polls and vote instead of complaining about the splitting of the vote by a multiplicity of opposition parties. She quoted figures from election after election to show that if registered voters had done their duty and voted results could have been very different.

..But the party most in the news over the past fortnight has undoubtedly been the New Democratic Party. Leader James "Son" Mitchell has had his address to the nation broadcast twice over SVG T.V.. He did not waste time in ranting and raving at the ruling St. Vincent Labour Party or other political opponents. He presented a policy towards development that demonstrated purpose and a positive approach that must have been heartening to those listeners who have been despairing at the ineptitude of the Labour Party Government. Mitchell also promised meaningful Local Government in his speech. In a subsequent communication NDP pledged removal of tax on incomes up to \$10,000 per annum.

..However the most exciting thing for supporters of the NDP the names of certain newly announced candidates. Mitchell had already presented a list that included men of education, competence and economic stature so that it is fairly safe to feel that they are not going in to politics merely to feather their own nests. This last week more names were added. They are young men who can boast of having already established a firm sense of identification with their country's problems and their compatriots' aspirations.

..One of them, Marcus De Freitas has done so much to expand markets for this nation's small farmers that the name of his firm Eastern Caribbean Agencies is famous for carrying the products of St. Vincent to overseas consumers.

..But that is not all. As if determined to give the lie even further to those who say that Mitchell has nobody. A man who had established over many years a reputation for honesty and respect in politics, Parnel Campbell has come forward and officially aligned himself with Mitchell by joining the NDP.

..Will anyone still have the effrontery to be derisive of the Mitchell team?

CSO: 3298/1010

CHIN A SEN ON FREEDOM, RESISTANCE

Rijswijk WEEKKRANT SURINAME in Dutch 7 Jul 84 pp 2-3

[Speech by Dr Henk Chin A Sen at Willem de Zwijger Church in Amsterdam on 1 July 1984]

[Text] Amsterdam--Dr Henk Chin A Sen made the following statement during a meeting of reflection and prayer of the "Kot a keti baka" Committee:

"On 1 July 1963, there came an end to the inhuman system whereby people were traded as merchandise and cruelly mistreated, an objectionable system of constraint. And although our ancestors were able to cry out with joy 'A keti koti,' it was clear that only the first steps had been taken at that time on the long road of emancipation and social justice.

"Over the course of the centuries, an appreciation of man has arisen, a recognition of the irreplaceable, unique dignity of the human personality, which has become the foundation of all freedom, democracy and human rights. Christian, Eastern, Liberal, Marxist and other approaches have led to a deepening of values, and to go into the many aspects of freedom and human rights would take us too far afield.

"In the Universal Declaration of Human Rights, we have an excellent document at our disposal which takes into sufficient consideration civil rights and political rights, as well as social, cultural and economic rights and freedoms. Unfortunately, this declaration by the United Nations is not taken seriously and observed by most member states. We have no use for the ceremonious laying down of human rights in international texts and treaties, while in today's world the lives of many people scarcely count for much and are sacrificed to ideologies, totalitarian claims to power, economic expansion and strategic plans."

More Conclusive

"Today, the Day of Freedoms, 121 years after the abolition of slavery in Suriname, we have gathered in the Willem de Zwijger Church to reflect on

these freedoms. And while the propaganda machine which the dictatorship in Suriname also has so amply at its disposal is wearing itself out with anti-imperialist and anti-colonialist slogans, we realize all too well that our people have again been thrown into shackles, into chains. This time the chains were not put on by slave traders, plantation owners, the city of Amsterdam, the Van Aerssen Van Sommelsdijck family, the West Indies Company or a colonial-imperialist government in The Hague, but by a sergeant-sports instructor, a dictator poisoned by a craving for power and played upon by advisors dominated by objectionable ideologies.

"Our people are in the strangling grip of a cruel dictatorship. A state of emergency is still in effect, there is strong press censorship, people's militias and so-called anti-intervention committees are being expanded, there is a further militarization of the functionings of the government, and only one political party is allowed, the so-called Stanvaste movement. Arbitrariness, terror and corruption are on the rise, more grim and more refined. Most elementary human rights are trampled upon."

At Will

"Just as in other military dictatorships, the system of justice in Suriname is only in force within defined areas where the military dictator has special interests. For those viewed by the military as enemies, there is neither protection under the law nor protection by the magistrate. Political adversaries are tortured and liquidated at will. That which is taking place in the centers of cruelty, dehumanification and murder, in Fort Zeelandia, the barracks and cells of the Military Police, is completely removed from the dominion of law and the control of the magistrate.

"What can be said about a judiciary that punishes thieves, but dares not lift a finger against major seditions and destructive elements, crooks and murderers. By remaining silent when something should be said, by refraining from a judgement when judgement should be made, the judicial authorities in Suriname are not only renouncing their responsibility, but making themselves an accomplice to a regime which violates and overrides the law."

Under Pressure

"The regime in Suriname, whose crimes have been condemned by the United Nations, Amnesty International, International Law Organization, international labor unions, the Organization of American States (OAS), etc., still refuses an objective investigation of the murders that took place on and after 9 December 1982.

"Whoever strives for justice and truth must advocate on as broad as possible investigation, better today than tomorrow, and cannot put up with the false and always modified statements by those in power in Suriname.

"Under the pressure of financial and economic bankruptcy and growing opposition, the military has again made several apparent concessions. One

particular newspaper and a radio station are allowed to function again, on the condition that they only disseminate censored news and that they be agreeable to those in power.

"For the umpteenth time in the past 4 years, organized groups, including the so-called old large political parties, are allowed to present their proposals for democratization. To this day, however, not a single concrete step has been taken in the direction of true democracy. On the contrary, everything is going in one direction, specifically, towards the establishment of a one-party dictatorship.

"What our people understand as democracy is no secret, but rather is more than obvious from the programs, the many writings and speeches by the NPS [National Party of Suriname], VHP [Progressive Reform Party], Pendawalima, PSV [Progressive Surinamese People's Party], SRI [Indonesian People's Alliance] and the many functional groups in our society."

Way of Life

"Democracy, a not unequivocal and often misused concept, is a system, a way of life, with a number of essential characteristics: the people must themselves choose their leaders through general, secret elections; in addition, there must be supervisory organs, pluriformity, separation of powers, equality before the law and freedom of expression. Democracy is a system that gives the people the opportunity to grow and develop in full freedom and dignity. Any system in which these essential elements are lacking, whether it is called 'grass roots democracy,' 'participatory democracy,' 'people's democracy' or 'guided democracy,' is democracy in appearance only. These catchwords are mostly used to camouflage a dictatorship. And we must with all our strength combat every dictatorship, no matter what label is stuck on it. As J. Van den Broek says so well in his recently published book 'Zoeken naar een Heilstaat' [Looking for an Ideal State]: 'Every dictatorship excludes the most precious thing that a state has to offer its citizens, namely, respect for human rights.' 'In the midst of all the confusion about what is and is not democracy,' he continues, 'it seems like a good idea to take the democracy test.

"That test is: freedom of expression of one's opinion, formal and material freedom to criticize, freedom to give evidence of a dissenting opinion concerning the social, economic, political and cultural vital processes of society, freedom also to win over fellow citizens to a dissident opinion. Where such freedom is lacking, there is no democracy.' Thus ends the quotation."

Personally

"Today we Surinamers realize quite well what oppression and tyranny mean, what constraint, legal uncertainty and mass murder mean, what it means to have to flee your country. What it means to have to live in continual fear. We do not know this from newspapers or books, but rather we feel this personally.

"How is it that freedoms for which a struggle lasting centuries was carried out could be lost in such a short time? How is it possible that after a rather long democratic tradition, we could fall back to such a vicious dictatorship? Had the ideas about freedom, democracy and human rights not yet put down deep roots in the consciousness of the masses and of the leaders? Have we not learned the lessons of history, or have we underestimated the many warnings?

"With regard to this, I want to read to you a poem by Mr Hugo Pos:

"Consider my son that everything that happens bears the hallmark of earlier and we on our part are weaving the thread of tomorrow nothing is true and what was once true did not truly happen.

"Ladies and gentlemen,

"As early as in ancient Athens it was recognized that freedom is based on the courage of the citizens. Thomas Jefferson warned that the price of freedom is 'eternal vigilance,' a repetition of the old 'Vigilanti perpetua premium liberatis' (perpetual vigilance is the price of freedom). Johan Huizinga said, 'in order to maintain freedom, it must be reconquered again and again. Freedom is not devoid of value judgements. Ultimately and essentially, freedom means the courage to resist.' And it was Rabindranath Tagore who said that even the most democratic government tends towards oppression and tyranny if these words are evoked by the cowardice of its subjects.

"To get closer to home, I wish to point out the numerous warnings from our own history, including the warning by C. R. Biswamitre in his book 'Wake voor de vrijheid' [Looking Out For Freedom], published in April 1960, the wellknown speech by Prime Minister J. A. Pengel on 1 July 1963, the writings of Surindre Rambocus, Frank Wijngaarde, Cyrill Daal, Kenneth Gonsalves, the pleas by Harold Riedewald, Eddy Hoost John Baboeram, the arguments by Andre Kamperveen, all great sons of our country."

Winning Back

"We are now facing the difficult task of winning back lost freedom. It is our sacred duty to support the struggle for truth, justice and freedom. As stated in the Apology of William the Silent (for whom this church is named), in the Declaration of the Rights of Man and of the Citizen in France, in the American Declaration of Independence and especially in the Universal Declaration of Human Rights, we have, in addition to the duty, also the right to revolt against oppression. In this struggle we cannot allow ourselves to be discouraged by manipulations in international politics, by Brazilian and Russian-Cuban intervention in our country. These competing powers are aiming to extend their sphere of influence, but certainly not to establish a democracy or respect human rights.

"We also cannot allow ourselves to be discouraged by treason and collaboration. These phenomena are not specific to Suriname, but can be found in all

of human history. Clear examples of this can be found in the Bible. In 1577, Etienne de la Boetie published the book 'Discours de la Servitude Volontaire' [Discovery of Voluntary Servitude], translated into Dutch under the title 'De Vrijwillige Slavernij' [Voluntary Slavery].

"Permit me to quote two lines from this book:

"'It has always been the case that five or six people have the attention of the tyrant, who have approached him on their own or whom he had made to come along to be accomplices to his cruelty, the fellows for his little pleasures, the pimps to his voluptuousness, and the sharers of the spoils of his plunders.'

"'The more they plunder, the more they demand. The more they destroy and lay waste to, the more they are given. The more they are served, the stronger they become, and increasingly more powerful and bold, to destroy everything. And if one gives them nothing, if one does not obey them, they become bare and defeated without striking a blow, and exist no longer.'

"Thus the quotation. This classic work greatly influenced people such as Tolstoy, Thoreau, Gandhi and Martin Luther King, and our resistance too can learn from it."

Impulses

"Let us on this first day of July again take firm resolve to leave no stone unturned to regain our freedom. We will not surrender our country and not rest until our goal is reached, namely, the restoration of the democratic constitutional state, respect for human rights, investigation of the murders and punishment of the guilty parties.

"Hail to the many Surinamers, women, students, workers, farmers, who oppose the criminal regime. Hail to the committee that took the initiative towards new impulses in the foe koti a keti bakka struggle. With the help of the Almighty, we will overcome."

12271

CSO: 8014/1705

ISCOTT EXPORTS MORE FROM U.S. THAN IT SENDS AS IMPORTS

Port-of-Spain SUNDAY EXPRESS in English 15 Jul 84 p 2

[Article by Davan Maharaj]

[Text] WHILE the United States has imposed barriers against locally-produced steel, Trinidad and Tobago is importing more steel from the U.S. than it exports.

Apart from that, the state-owned Iron and Steel Company of Trinidad and Tobago (ISCOTT) purchases millions of dollars worth in consumables for its operations from the U.S. each year.

Commenting on this issue in a recent ISCOTT publication, company spokesmen said: "At present, we are buying more steel from the developed world including the United States, than we could ever hope to sell, quite apart from the other areas of trading activity.

"The argument that the U.S. should be more responsive to ISCOTT's wire rods because of our reciprocal steel imports has failed to dismantle the protectionist policies set up by the U.S. Department of Commerce.

"All exports of locally manufactured wire rods to the U.S. are still subject to a 6.739 per cent countervailing duty and a 9.79 percent anti-dumping charge."

Latest available figures show that in the first six months last year, this country imported 15,457 metric tonnes of steel valued at \$19.061 million. Most of the imports are sheets, plates and structural steel, ISCOTT also purchases most of its spare parts, ferro-alloys, refractories and scrap from the American market.

Franklyn Wyke, ISCOTT's director of marketing, also lamented the "harassment and intimidatory law suits" against ISCOTT wire rods. In an article in the recently-released "ISCOTT experience", Wyke said: "The fact that U.S. \$39 million of steel have been imported from the USA to Trinidad and Tobago against return exports of U.S. \$14 million have not been a counter argument, nor was the fact that the initial technology and equipment to operate the ISCOTT plant, acquired from U.S. companies, on the basis of loans partially coming from the U.S. Exim Bank."

The ISCOTT marketing director said that the U.S. products launched their offensive against ISCOTT steel with the imminence of the Caribbean Basin Initiative "to keep low-cost, quality competition from ISCOTT away from U.S. shores." Checks however revealed that a waiver of the 2 per cent ad valorem duty was the only benefit ISCOTT wire rods received under the CBI while the local steel company had to add the anti-dumping and countervailing duty on the FOB (Free On Board) price.

Despite the charges, however, it was learnt that ISCOTT steel was still "quite competitive" on the U.S. market. ISCOTT's total production of wire rods for the remaining part of the year, had been committed to the U.S. market. The U.S. remains the major target for local steel as most of the steel plants in Europe were operating below their capacity. ISCOTT has however failed to fully capitalise on the 15-20 per cent increase in steel prices in the U.S. as the billion dollar plant at Point Lisas is now operating at 40 per cent capacity.

Wyke foresees "court actions...from time to time as higher cost domestic manufacturers confront imports."

When asked what could be done to secure "equal treatment on the US market," one source referred to the experience of the Mexican steel manufacturers. After charges were imposed on Mexican steel, there had been a voluntary steel import restraint agreement where steel imports had been restrained to a percentage. The Mexicans, according to him, had also desisted from sending large quantities of raw materials, semi and finished products to the U.S.

CSO: 3298/1041

TALK OF SNAP ELECTION BY CHAMBERS CALLED 'FANTASY'

Port-of-Spain TRINIDAD GUARDIAN in English 25 Jul 84 p 10

[Text]

I GET the impression that some of our Opposition politicians speak without first thinking about what they are going to say. They wish to attack the Government, and they utter the very first idea that comes to mind.

They create their own fantasies and mix the Government in it. Something happens in another island and they wish it to happen also in Trinidad and Tobago, so they immediately jump up and forecast with a show of confidence that it will also happen here.

Seaga called a general election in Jamaica and won by default. Bird

called a general election in Antigua and won. Cato in St. Vincent called one and the result should be known by this time.

Therefore, the thinking goes, Chambers can be expected to do the same in Trinidad and Tobago.

On what basis is this shallow expectation based? The feeling that things are going their way and not the Government's, that now is the time for them to come to power after all the disappointments and the attempted mergers and splits of parties these past 25 years.

PRACTICE

The first to conjure "a snap election" was ONR's Hudson-Phillips. The truth is that in Trinidad and Tobago

you cannot have what elsewhere is called a "snap election" taking place about three weeks after a dissolution.

Apart from this, at no time during its four terms in office has PNM refrained from serving its full term. This alone would be sufficient to indicate that it is most unlikely to depart from settled practice.

What reason has it got to make a change? Because the Opposition believe this would suit them? Because Karl "say so" and Basdeo "say so."

In fact, in 1981 when he first began rooting for "a party of parties," Lloyd Best spoke of "snap election," not because he thought it likely at all but "to create the panic in the electorate we have been trying to create."

Best was even known to theorise when he would call such a vote if he was in Williams's po-

sition.

Clearly all those who talk of "snap election" are making propaganda and do not intend that they should be taken seriously. In popular parlance, "they only trying something."

When they spoke of it in early 1981 there was already talk of "Opposition unity" and "party of parties" while insisting on keeping the option of facing the electorate alone which, as they claimed, any serious party would do.

They never spoke of dissolution of parties prior to forming one party which is the only way they can show they are serious.

Instead they talk now of "federation of parties" and "coalition" because the unbounded trust they should have in one another does not exist. And that is just why the suggestion that the leadership question is not a problem should be discarded.

ANOTHER VIEW OF OPPOSITION EFFORTS TO ACHIEVE UNITY

Port-of-Spain EXPRESS in English 16 Jul 84 p 27

[Article by Leonard Robertson]

[Text]

"AT THE present moment the parties are seeking to relate to one another and when the time is right.....because there certainly exists the political will." Leader of the Democratic Action Congress (DAC), ANR Robinson expressed this view in relation to the formation of an alternative national political party in Trinidad and Tobago.

All the party representatives who spoke to the EXPRESS did not share Robinson's optimism; indeed the Organisation for National Reconstruction gave the distinct impression of hedging its bets. "We already have a national party," said Lennox Raphael, the party's Public Relations Officer, "but we are committed to the Accommodation."

Peter Fung Kee Fung, Tapia's Treasurer traced the roots of current attempts at opposition unity. Since 1976, he said, unity talks had been taking place in the context of today's parties but it was not until 1981 that the "loose coalition" known as the National Alliance came into being.

The Alliance embraced the DAC, Tapia

and the United Labour Front but it was not until the 1983 Local Government elections that the separate entities undertook to campaign under one symbol, the triangle. For 1981, the open book sufficed for the DAC, the chains for ULF and the tapia house for Tapia.

Also in 1983, the Alliance and the ONR agreed to co-operate with each other in the form of an electoral accommodation. This was an agreement not to compete against each other in any district but to join forces and present one candidate against the field. Absent from that Accommodation was the National Joint Action Committee which still remains aloof from the other opposition parties.

Fung Kee Fung said: "It has taken nearly eight years building this concept to reach this far and we have all the political mistakes to learn from. We only have the parts, we need to put it together to make it work."

Basdeo Panday, acknowledged leader of the United Labour Front and Leader of the Opposition in the House of Representatives: "The

ONR is prepared only for separate development but this could lead to conflict at the grassroot level."

Raphael: "We have not discussed the issue of a national party with the Alliance."

Robinson: "We are moving towards a practical, functioning organisation that will meet the needs of the people involved."

The concept of the national party was clearly defined by Panday as "a single party with a single leader, a single policy and a single symbol." This is not quite what Fung Kee Fung had in mind: "We are proposing an open and honest coalition among the various sectoral interests."

Robinson, on the other hand is cautious: "The ultimate form depends on the parties involved. There is no ideal blueprint for such an organisation." For his part Raphael had a question: "What is meant by a national party?"

Panday expanded on his theory of "singleness" by saying that the various interest groups will come together at a common position. He added that already

the Alliance had moved to submerge the separate identities into one cohesive whole. He pointed to the mini conventions of the Alliance currently taking place throughout the country as proof that this concept of a national party was already taking shape.

Robinson said he had no fixed views on the structure of such a party but general ideas and fundamental principles from which to proceed. The structure, he said, would naturally fall into place under the guidance of a responsible leadership.

Tapia was of the view that the representatives of the various interests could coalesce through open bargaining which would result in the best deal for each sector. The openness, Fung Kee Fung said, would ensure the security of all sectors and create trust in the population.

But the ONR's position was more of a strengthening of the current electoral accommodation. Raphael said that ways must be found to make the current relationship more meaningful and applicable to changing situations. He said his party was wary of "marriages of convenience."

nience" and would not be hurried into such a situation. He added that the ONR's identity was not up for bargaining.

Raphael also introduced the theory of having national unity before any national party and pointed to the ONR's ability to cut across all sectors of the community: "We cannot be tied down ethnically or geographically," he added. But Fung Kee Fung and Panday saw the national party as a means of creating national unity.

Fung Kee Fung said there was no question that national unity was required and pointed out that each party had its core of support rooted in particular groupings. The national party, he said, would be the instrument through which every sector would have a real say in an "across the board bargaining between the ethnicities."

The effect of that bargaining on the question of leadership of the party would be extremely beneficial said Fung Kee Fung because a leader would be chosen on his merit since according to Tapia's plan, whoever is selected must capture at least 66 per cent of the total vote at a conven-

tion.

That would eliminate what Fung Kee Fung called "the backroom fix-up" among the leaders. In that, he said, the leaders alone would know on what terms the decision was arrived at and the trust absolutely necessary for the working of the wider group could be in jeopardy.

The leader, he said, would have to take part in an open campaign against other contestants so that all views could be analysed by the potential voters. The plan also includes limited, equal voter representation at the election assembly. This, Fung Kee Fung said, was true democracy at work since it would nullify purely sectoral choices.

Panday said he had no quarrel with any arrangement arrived at to choose a leader. "We will have every confidence in whoever decides on that question and whatever system arrived at to choose a leader," he said. It was John Humphrey who forced the issue of leadership to the fore with his declaration of support for Robinson at a recent convention in Tobago.

Robinson himself said

that he had not given any serious thought to the possibility of leading a national party and in keeping with his cautious approach said he accepted fully the general strategies currently employed. Raphael said he was glad that it was not Karl Hudson-Phillips who was put on the spot when Humphrey made his declaration.

He emphasised that not having begun talks on the issue of a national party, the ONR had not yet worked out any formula for selecting a leader but he dismissed Tapia's idea as "romantic."

There was common ground among the leaders on three issues. Firstly they all agreed that the results of the 1983 Local Government elections showed that the electorate were in favour of a united front. According to Panday, the feed back was a positive one and all the leaders said that the rank and file of their parties were very interested in further co-operation.

Secondly, with varying degrees of acceptance, they were all willing to accept the People's National

Movement or elements therein, into the prospective national party. Fung Kee Fung stated that there could be no national party that did not reflect the views of the constituency which formed the core of the PNM while Panday said that if there were progressive elements within the PNM who wished to be part of the struggle they would be welcomed.

Thirdly they each saw the need for unity. Hudson-Phillips stated recently that history would not forgive them if they did not cement the ties which now exist. For Fung Kee Fung it was a question of both the long term and short term solution merging into one and "we have the solution in our hands." Robinson and Panday put it in the fingers of the electorate: "The need is clear. The electorate spoke at the last elections."

When the parties sit down tonight at the Albion Street headquarters of the ONR, it may well be that Ray Robinson's words could set the tone for the proceedings: "What emerges may not be what everyone desires."

DETAILS OF COOPERATION AGREEMENT SIGNED WITH PRC

Areas of Planned Cooperation

Port-of-Spain TRINIDAD GUARDIAN in English 26 Jul 84 p 1

[Text]

THE PEOPLE'S Republic of China is to buy from Trinidad and Tobago 40,000 tonnes of urea valued between \$16 to \$20 million during the last quarter of 1984.

This forms the major result of talks between both countries over the last three days which ended yesterday with the initialling of agreement on co-operation on trade, economic, scientific and technical areas.

An official announcement last night stated that China would also like to supply crude oil for use in Trinidad and Tobago's refineries.

Full text of the official statement:

Trade talks between Trinidad and Tobago and China, which began last Monday with the arrival of the Chinese trade delegation on Sunday, ended today with a visit to the Prime Minister, Mr. George Chambers. The Prime Minister received the delegation at 3.00 p.m. at Whitehall.

Discussions were aimed at stimulating trade as well as economic, scientific and technical co-operation between both countries. At the present time, trade between both countries reveals a balance in favour of China. Trinidad and Tobago has proposed the sale of the following commodities to China: Fertiliser; Steel products; Asphalt.

In respect of fertilisers, an agreement has been reached for the sale to China of 40,000 tonnes of urea. The shipment of this order is to take place during the last quarter of 1984; its value is estimated between \$16 — \$20 million. Orders for additional quantities of urea are to be negotiated at a later date. Negotiations are continuing for the supply of steel pellets and asphalt to the Republic of China.

For its part, China would like to supply crude oil for use in Trinidad and Tobago refineries.

JOINT VENTURES

Talks with the private sector were aimed at the setting up of joint ventures in both countries, with particular reference to the manufacture of small farm machinery and agricultural tools in Trinidad and Tobago and the establishment of food outlets in China.

An agreement on co-operation in trade between Trinidad and Tobago and China was arrived at and informally signed by Mr. Desmond Cartey, Trinidad and Tobago's Minister of Industry, Commerce and Consumer Affairs and Mr. Jia Shi, China's Vice Minister of Foreign Economic Relations and Trade. This agreement is meant to provide an umbrella framework for trade, economic, scientific and technical co-operation between the two countries.

Co-operation envisaged under the Agreement shall be in the following areas:-

Trade:

Iron and steel products, chemical fertiliser, petroleum and petroleum products, natural and refined asphalt and products made therefrom, textile and garments, household goods and appliances, various foodstuffs and canned goods, agricultural products, animal feeds, all kinds of light industrial products, building materials, chemicals and medicines, farm machinery and tools and other kinds of machinery, instruments and equipment, musical instruments.

Economic, scientific and technical co-operation:

Co-operation shall cover, inter alia, areas in agriculture, industry, health, communication and transportation. Specific projects in these areas shall be discussed with a view to reaching agreement thereon according to the needs and capabilities of both Parties.

Other forms of co-operation contemplated under the agreement include:

1. Long-term and short-term arrangements involving the direct importation and exportation of items; compensation trade; and countertrade arrangements and other aspects of trading arrange-

ments.

2. Investment in State and private joint venture enterprises.

3. Trade and other exhibitions.

4. Mutual supply of technical services and training of technical personnel.

5. Mutual transfer of patents and technical know-how and licences, subject to contractual obligations.

6. Mutual supply of scientific and technical information and data as well as agricultural and industrial materials for use in scientific experiments.

7. Mutual exchange of experts, technicians and scientists for field study, practice and for the transfer of technical knowledge and for ex-

periments.

8. Any other form of co-operation that may be agreed upon by the Contracting Parties.

An invitation has been extended to the Government of the Republic of Trinidad and Tobago by the Government of the People's Republic of China to send a commercial delegation to China at a date to be agreed on by both parties. It has also been agreed that an exchange of visits involving experts of the private sector of Trinidad and Tobago and officials of China will take place as a follow-up to the visit by the commercial delegation.

Future Chambers Visit

Port-of-Spain TRINIDAD GUARDIAN in English 26 Jul 84 p 1

[Text]

PRIME MINISTER of Trinidad and Tobago, Mr. George Chambers, is expected to visit the world's most populous country — The People's Republic of China — during the first half of 1985.

Mr. Chambers told this to a high level delegation from China who called on him yesterday afternoon — their last official act before they returned home at the end of a three-day visit.

Before going to the Whitehall office of the Prime Minister, the Chinese team, led by Mr. Jai Shi, Vice Minister in the Ministry of Foreign Economic Relations and Trade, initialled an agreement reached during bilateral negotiations between both countries.

The ceremony took place in the office of Industry and Commerce Minister, Mr. Desmond Cartey, who led the Trinidad and Tobago team in the discussions.

BOTTLES OF RUM

The entire Chinese delegation each received a gift-wrapped bottle of Trinidad and Tobago rum and ash trays fashioned in the shape of a steelband made out of copper.

Through the Chinese interpreter, Minister Cartey advised the visitors to wait until they got home to have a drink (laughter).

At the Minister's Riverside Plaza office, Mr. Shi said he was pleased that in three days they were able to produce an agreement which he said should foster greater friendship between both countries.

Officials explained the agreement would be signed when the Prime Minister visits China. Basically, the initialling ceremony was to signify that agreement was reached in principle in several areas.

At Whitehall, Mr. Chambers told the Chinese he hoped their discussions were fruitful and successful.

Again, through their interpreter, the Chinese said they were pleased to say that the discussions were, in fact, successful.

Mr. Shi said they felt very honoured to be received by Mr. Chambers, to which the Prime Minister replied:

"China is such an impor-

tant country that I cannot afford not to see the Minister and his party."

Mr. Shi said the agreement would be signed by both Mr. Chambers and the Chinese Premier Zhao Ziyang, and that just before leaving Peking, Premier Ziyang sent Mr. Chambers his best wishes and he was expecting to meet him in China.

Prime Minister Mr. Chambers added he was very pleased to hear the talks ended successfully and then spoke about his China trip.

Because of heavy commitments at home this year, Mr. Chambers explained the Government of Trinidad and Tobago asked China to postpone the visit which was expected to take place in 1984.

"But I hope to undertake that visit during the first half of next year..."

At this point Press representatives were politely asked to leave while Mr. Chambers, Mr. Cartey and Miss Muriel Green, Minister of Information, continued talks behind closed doors.

CSO: 3298/1040

CENTRAL BANK OFFICIAL DISCUSSED DEBT OWED BY JAMAICA

Port-of-Spain EXPRESS in English 13 Jul 84 p 1

[Article by Andy Johnson]

[Text]

THE Jamaican Government owes almost \$96 million (U.S.) to Trinidad and Tobago, according to Euric Bobb, deputy Governor of the Central Bank.

Bobb was responding to questions about the terms and conditions of the debt rescheduling arrangements which were worked out between the two governments and about which Prime Minister George Chambers spoke during last week's meeting of Caricom Heads of Government.

He said the money was divided in two parts — between promissory notes totalling \$40.7 million (U.S.) and fixed deposits valued at \$55 million (U.S.) Bobb said that the total debt previously stood at \$112 million (U.S.) adding that \$16.3 million was repaid

to date.

He said the loans were negotiated in a series of government-to-government arrangements dating back to 1976, adding that as part of the terms of the rescheduling of the debt, the Bank of Jamaica has agreed to pay some \$12 million (U.S.) in accumulated interest not later than December 31, 1984.

According to the terms of the rescheduling, the Bank of Jamaica has also agreed to open an off-setting account valued at \$27.5 million (U.S.) with the Central Bank of Trinidad and Tobago. The other \$27.5 million (U.S.) which made up the portion of fixed deposits in the package, Bobb said, would be rolled over for another year when they become due at the end of this year.

Consequent upon its negotiations for financial assistance from the International Monetary Fund, the Jamaica Government sought successfully to renegotiate its debts with the Central Bank in Port of Spain, in order to bring its financial books in line with IMF requirements.

And without naming Jamaica, Chambers referred to this development in Nassau last week. Officials of the Bank of Jamaica were

in Port of Spain just prior to the Nassau summit.

Bobb said the fixed deposits portion of the package first became due at the end of 1982, but the Bank of Jamaica said then that it was experiencing problems meeting the payments and sticking to IMF targets, and arrangements were made whereby payment was delayed. He said again at last year's Caricom Heads of Government meeting in Port of Spain, Jamaica made representations for rescheduling of the whole portion of fixed deposits, but the Central Bank opted for a procedure whereby that portion of the portfolio was split in two.

Bobb said that the Government of Jamaica had to do "a lot of juggling" in order to bring its financial books in line with what was required by the IMF and the Paris Club — a parallel organisation comprising members of the industrialised countries — and it was on that basis the government met on the rescheduling of the loans.

Asked whether he expected that the Central Bank would collect on the \$12 million U.S. accumulated interest at the end of the year, Bobb said "they agreed to our terms and that was part of it."

CSO: 3298/1040

PANDAY BLASTS PERFORMANCE OF ALLIANCE COUNTY COUNCILLORS

Port-of-Spain EXPRESS in English 17 Jul 84 p 3

[Text]

OPPOSITION leader Basdeo Panday censured the Alliance members of the St Patrick County Council urging disciplinary action against them for openly flouting organisational directives from the party's executive.

Panday also criticised the two St Patrick co-ordinators, parliamentarians Trevor Sudama and Govindra Roopnarine, for failing to monitor the organisational process in the county.

Panday made the stinging attack on his lieutenants when he addressed the St Patrick County mini-convention held on Sunday at the Fyzabad Senior Comprehensive School. Panday was upset at the poor attendance at the convention which was blamed on the lack of co-operation of the elected councillors.

Panday blasted Councillor Basdeo Manmohansingh, a Trintoc engineer, for failing to attend the convention. Said he: "How could the councillor put other

things above this convention. I believe that only death should be excuse for not attending your own convention.

"Sometimes we tend to forget that it was through the party that we occupy seats on the councils." He made it clear to councillors that it was then their duty to resign if they felt incapable of performing the functions of office. Said Panday: "If you cannot now do the job, simply ask to be relieved of this burden. Please do that and clear the way for those who can serve both the people and the party."

Panday demanded a monthly report on the activities of all councillors, through the county co-ordinators. He said that councillors were required to set up village committees in each electoral district and that electoral offices be established in each district to allow citizens to meet with councillors. Panday insisted that every electoral district be organised.

CSO: 3298/1040

BRIEFS

ISCOTT IN GERMANY--THE HAMBURG Steel Works is the most likely partner for the equity participation in the Iron and Steel Company of Trinidad and Tobago (ISCOTT). Discussions will be held with the German company during this week. Rep. Ronald Williams, Minister of State Enterprises, left for Germany over the weekend to begin discussions with the German firm and three members of the ISCOTT review team, led by Mr. Joseph Esau, will join him to continue the discussions. In the team are Mr. Sam Martin, President of ISCOTT, and Mr Eldon Warner, Chief Executive Officer of the National Energy Co-operation. The review team, first announced in the 1984 Budget, will be seeking a partner for the operations of the Iron and Steel Company. During the visit to Germany the team will visit Bonn, Hamburg and later go on to Vienna. Since the Budget announcement the review team had been holding talks with several organisations. Recently, Minister Williams stated that discussions, with a German firm had proved to be the most fruitful of all held by the committee. ISCOTT has been a controversial issue since its inception and the effort to find a international partner has been the latest in moves to make the company viable and acceptable. At present ISCOTT is wholly owned by the Trinidad and Tobago Government. The firm has been the target of criticism both inside and outside. ISCOTT is one of the major projects at the Point Lisas Industrial Estate. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English] 24 Jul 84 p 1]

NO-CONFIDENCE MOTION--OPPOSITION Member of Parliament Mr. Trevor Sudama, (Oropouche) has filed a motion of no-confidence in the Speaker of the House of Representatives, Mr. Matthew Ramcharan. In the notice sent to the Clerk of the House last week Friday, Mr. Sudama said the holder of such an office must be seen to be impartial and he charged that Mr. Ramcharan had compromised his impartiality and independence by being chairman of a private company in 1981 which got a contract from a State-owned company, Secondary Roads Company. "This interest was not disclosed by him at the time his nomination as Speaker of the House was being considered," the Opposition member said. Mr. Sudama said the company, Aripo General Contractors, tendered for a contract for the widening of the Churchill-Roosevelt Highway on May 5, 1982, while Mr. Ramcharan was speaker and also Chairman of Aripo, which he did not disclose. The MP also claimed that to date Mr. Ramcharan had not yet indicated to whom his shares in Aripo were sold, assigned or otherwise disposed of. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 20 Jul 84 p 1]

'NO CONFIDENCE' ON FRANCIS--San Fernando--Opposition Chief Whip in Parliament Rep. Nizam Mohammed (Tabaquite) claims that the half-hearted attempt by Mr Hugh Francis, Minister of Works, to rephrase his "uncalled for attack" on the business community has not decreased the cause for alarm and concern. "He is no fool. He understands that in a period of economic downturn and with consequential mass retrenchment and a lowering of the standard of living, he can easily fan the flames of discontent" said Mr Mohammed. He said the Opposition would not let up in a serious situation like this as Mr Francis should be the last to talk about discrimination. He referred to the DEWD programme. Mr Mohammed said that Rep. Trevor Sudama, (Opposition Oropouche) was requested to prepare himself to start debate on a "no confidence" motion against Mr Francis. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 Jul 84 p 7]

FOREIGN RESERVES--Trinidad and Tobago's foreign reserves have gone back past the \$4 billion mark. At the beginning of the month the reserves totalled \$4,196,046,000 comprising balances of investments totalling \$3,916,170,000 subscription to the International Monetary Fund (IMF) \$25,402,000 and IMF Standard Drawing Rights allocation \$254,474,000. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 16 Jul 84 p 1]

NJAC ON U.S. BAN--National Joint Action Committee (NJAC) has mounted a campaign to have a ban imposed on the party's political leader, Makandal Daaga, from entering the United States of America lifted. With the theme "We demand to know why," NJAC is also pushing to have similar bans imposed by some Caribbean countries removed. The United States, NJAC said, was the political and diplomatic centre of the West and that Daaga (formerly Geddes Granger) had the right to speak to the Caribbean community in that country. Charging the local press with pursuing a policy of seeking to discredit the image and character of Daaga, NJAC stated in a document: "It is the belief of the NJAC that the calculated attempt to isolate Makandal Daaga, locally, regionally and internationally is simply the basis for staging the political assassination of this great leader. The banning of Mankandal Daaga is an attempt to squeeze the people of the Caribbean into little corners so that we cannot communicate with one another. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 9 Jul 84 p 3]

CSO: 3298/997

VENEZUELA

AD LEADER REITERATES PARTY'S SUPPORT FOR ADMINISTRATION

Caracas EL NACIONAL in Spanish 12 Jul 84 p D-17

[Article by Leopoldo Linares]

[Text] The party's solidarity with the administration is absolute and total, asserted Deputy David Morales Bello, a member of the National Executive Committee (CEN) of Democratic Action. He went on to say, however, that "no team of human beings is perfect, and thus there are shortcomings in the current government team that we must all correct."

Morales Bello, who is part of the so-called AD "top brass," partly justified Antonio Rios's recent statements advocating an overhaul of the administration's economic team. Morales Bello added, however, that such a move was not advisable at present now that measures are being taken under the Enabling Law that will have the constructive impact that we are all hoping for.

The AD leader had a lengthy conversation with this journalist at noon yesterday in his private office in the Maracaibo Tower building on Libertador Avenue. When we first asked him about how President Lusinchi's administration was doing, he replied:

"We cannot evaluate the administration in isolation from the country as a whole. Therefore, assessments of how the administration is doing have to take into account developments in the country and the general performance of all its sectors, so that we do not focus on just one angle instead of taking an overview. If we live in a crowded country with an economy in bad shape because of how its resources were handled until late January when the COPEI administration ended, the administration cannot possibly have the kind of track record we might like in just 6 months time, given the problems that it has had to resolve."

When we kept asking for an assessment of the AD administration's 6 months in office, Morales Bello responded:

"That is why I think that an objective judgment of President Jaime Lusinchi's administration must relate what it has done with the situation

that it has faced. In that case, the only conclusion is that it has taken firm steps to shore up foundations that had to be repaired to undertake the national reconstruction that the Venezuelan public interest requires."

And what do you think of the Enabling Law?

"I sincerely think that the Enabling Law was a proper step towards economic recovery, which cannot be accomplished just by talking. For example, we need only recall how the law paves the way for the recovery of the construction industry through the repayment of the outstanding domestic debt, which will inject new liquidity. The administration will thus be making a real effort to expand the biggest job market in Venezuela, which will also benefit from the amendments to the Banking Law making the purchase of low-cost housing easier. By allowing annual payments to be restructured, these amendments will also encourage saving."

Morales Bello added that the example also applies to the repayment of farm debts, with the resulting impact on farm expansion programs; up to 10-year financing will be provided, thus encouraging economic diversification and higher food production.

Many such examples could be cited, in Deputy Morales Bello's judgment. He pointed out that all of these measures are designed to improve the country's economy and, thus, to guarantee "a confidence that does not depend on the good will of any of us but rather on the reaction of the organized economic sectors to the government's performance."

"Although these sectors have pointed out where they, understandably, disagree with the administration, they are saying today that the domestic economy is headed in the right direction. This shows that Jaime Lusinchi's administration has gotten to the bottom of the problem and is making steady progress towards strengthening confidence here at home. This should spur the domestic economy enough so that confidence overseas returns as well. In fact, things are already looking good on the rescheduling of our foreign debt, which was most likely the biggest economic burden that the previous administration left us as its legacy."

Is the AD national leadership pleased with the administration's performance?

"The general view in AD is that the correct steps have been taken towards economic recovery, and therefore the party's solidarity with the administration is absolute and total. Although performances ought to be evaluated individually and not lumped together, the averaged out track record of the economic cabinet is in keeping with what we thought could be done over these few months. Every effort has been made to overcome the inertia that had permeated the government to the core and caused the serious deterioration that for a little while yet is going to inevitably continue impairing the general welfare of Venezuelans."

How do you explain Antonio Rios's appeal if, as you say, there is complete solidarity with the current members of the administration team?

"I feel that the statements of our comrade Antonio Rios were motivated by his understandable desire that we accomplish as soon as possible what we have set out to do. I see his statements as a reflection of the anxiety in Venezuela today, an anxiety stemming from our society's longing for better times. But if these statements are taken as a specific call for an overhaul of Jaime Lusinchi's economic cabinet, I feel that they are not appropriate at the moment, because as we all know, measures are being taken under the Enabling Law that will have the constructive impact that we all realize is badly needed."

Is your judgment that the current cabinet has no shortcomings?

"We in AD feel that no team of human beings is perfect and thus there are shortcomings in the current government team that we must all correct. But as far as what has been done so far to rebuild the economy, the bottom line has been positive, and we should thus maintain complete confidence in the people who are in charge of planning and carrying out the recovery. We should not judge too hastily. Our assessment should be based on results, not on a subjective interpretation of intentions."

This journalist mentioned to him that some political circles attribute Antonio Rios's call to the internal strife in AD. He had this to say in response:

"We are in a period of rational understanding in AD, and this rules out any link between what our comrade Rios called for and posturing with an eye towards future goals. I want to stress that what our comrade Rios said reflects a perfectly understandable underlying mood, not disagreement with how President Lusinchi is running the government."

Morales Bello concluded by recalling that Rios himself made just such a clarification and that he feels that this will spur on the administration to further intensify its search for solutions to the problems besetting the country.

8743

CSO: 3348/510

AD LABOR LEADERS REAFFIRM OPPOSITION TO PRICE INCREASE

Caracas EL NACIONAL in Spanish 15 Jul 84 p D-1

[Article by Jesus Eduardo Brando]

[Text] The Union Bureau of Democratic Action told President Lusinchi that effective new ways had to be found to offset the erosion of workers' income and reaffirmed its opposition to any price increase.

President Jaime Lusinchi met from 9 in the morning to past 4 in the afternoon at La Guzmania with the National Executive Committee (CEN) of AD and with the ruling party's ministers. The first to leave were former President Carlos Andres Perez and the chairman of the Economics Committee of the Chamber of Deputies, Cristobal Hernandez. Emerging after them were Development Minister Hector Hurtado, Humberto Celli, Reinaldo Leandro Mora, Manuel Penalver, Antonio Rios, Luis Raul Matos Azocar, Octavio Lepage, Alejandro Izaguirre, Armando Sanchez Bueno, Pedro Paris Montesinos, Gonzalo Barrios, Orlando Castejon, Paulina Gamus and Lilian Henriquez de Gomez, among others.

The closed-door meeting adjourned for about 2 hours while the AD leaders and the president lunched on a main course of fish, complemented by fruit, wine and lemonade.

When the talks were resumed, the participants reviewed the economic situation, especially as regards price increases, and afterwards the president of Congress, Senator Reinaldo Leandro Mora, was placed in charge of speaking to the press.

The doors to the president's seaside residence were then opened to reporters, who had been waiting patiently on the patios and in the walkways at La Guzmania.

Absolute Unity

Reinaldo Leandro Mora stated that this had been one of the most important meetings between AD's national leaders and President Lusinchi and several of his ministers. "We devoted 80 percent of the meeting to a review of the economic situation, to the measures that the administration has taken and to an analysis of party-government relations."

"I can tell you that an absolutely necessary unity exists. And anything that is said to the contrary is sheer speculation. There are no disagreements of any sort between the party and the administration."

He said that the views of all sectors in Democratic Action had been listened to, that the party and the administration are unequivocally in agreement and that the party has conveyed its solidarity and support to President Lusinchi.

It was mentioned to Leandro Mora that the CTV [Confederation of Venezuelan Workers] has asserted that it opposes any price increase before the National Commission of Costs, Prices and Wages is in place and before compensatory measures have been taken. He was then asked whether the administration would authorize further increases in the prices of staple goods and in public utility rates.

"The administration will authorize some increases when it deems them necessary, but it will also provide compensation for the working class."

Has the Union Bureau asked for the removal of (Development) Minister Hector Hurtado?

"No. Minister Hurtado enjoys the best of relations with the CTV and the bureau regarding the goal of economic recovery. No change in the cabinet is under discussion for the time being."

He stressed that the government is working on compensation for workers under the decrees of the Enabling Law in the form of 10 percent increases in personnel payrolls, the commuter bonus, industrial mess halls, the school milk and cookies program and free milk for pregnant women.

"In other words, we are working on changes in social programs."

The president of the National Congress also said that a special session of Congress might have to be called soon to take up debt rescheduling legislation.

Rescheduling

The undersecretary general of AD, Humberto Celli, had previously announced that Congress would meet in special sessions to pass amendments to the Rescheduling Law that would enable the administration to renegotiate the country's foreign debt beyond 1983-84. It was learned from high-level ruling party sources that this authority would be extended until 1986 for the rescheduling of more than \$20 billion of debts. For his part, the chairman of the Chamber of Deputies Finance Committee, Armando Sanchez, said that he was optimistic that the debt would be rescheduled by October.

The Position of the Labor Leaders

As usual, reporters also asked the secretary general of AD and former CTV executive, Manuel Penalver, about what was discussed at the meeting and about the Union Bureau's position vis-a-vis the government, but the senator from Guarico avoided giving any reply. Interior Minister Octavio Lepage took the same approach, stating as well that "Leandro Mora is the official spokesman."

We did manage to have a word with Antonio Rios, the AD national union secretary and member of the CTV Executive Committee, who was initially reluctant to make statements.

Did the president's recent statements catch your attention?

"If I tell you no, you won't believe me, and if I tell you yes, it wouldn't be true."

Dr Leandro Mora has said that the administration might OK further price increases. What is the Union Bureau's position?

"We said so yesterday, we have said it again today and we will say so tomorrow. We oppose any more increases until compensation satisfactory to the workers is forthcoming."

What have you told President Lusinchi in this regard?

"That new compensatory measures must be implemented, because the ones that have been announced are not enough."

Increase in Milk Prices

Amid the hubbub of reporters chasing after the AD leaders and cabinet ministers, EL NACIONAL was able to learn from an extremely reliable very high-level source that pasteurized milk is the next item whose price is scheduled to increase.

It was learned that the producer subsidy (1.5 million) will be abolished this year and that milk prices could double from 2.50 to 5 bolivars a liter. There was no specific mention of when the decree would be enacted, but it was said to be ready as of now.

The newsmen waited in vain for Agriculture and Livestock Minister Luis Felipe Gomez Alvarez, who along with the governor of the Federal District, Carmelo Lauria, stayed on a bit longer with President Lusinchi.

The chief executive did not comment on the meeting either and had a representative tell reporters that "he felt that Senator Reinaldo Leandro Mora's statements were a faithful reflection of his [the president's] views."

VENEZUELA

CONFLICT BETWEEN FEDECAMARAS, CTV LEADS TO POLITICAL CRISIS

Caracas ZETA in Spanish 18 Jul 84 pp 10-11

[Text] The intransigence of the FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] leaders, who have gone so far as to say that they would not comply with the Costs, Prices and Wages Law (a law no less!), is prompting union reactions such as the one voiced by AD's national union secretary. This is bad for the country because it hampers the accord that is indispensable for economic recovery.

President Lusinchi's administration was hit this week by a major political crisis stemming from the conflict of interests that FEDECAMARAS and the CTV [Confederation of Venezuelan Workers] are no longer bothering to conceal.

As usually happens under such circumstances, the moderates are the first victims. Development Minister Hector Hurtado has been the target of direct charges from labor. Seen from another angle, however, this crisis is stabilizing the entire cabinet, even certain members who have been criticized for their conspicuous inefficiency. It is standard operating procedure in Venezuelan politics for the president not to make changes in his cabinet if pressured to do so, and Jaime Lusinchi has already made known his displeasure over the criticism that AD's national union secretary, Antonio Rios, leveled at his economic cabinet early in the week.

What Rios Said

Rios's comments came in the wake of a meeting at which AD's Union Bureau opened fire this week. Newsmen had been let in on something, because an unusual number of them were waiting for the closed-door union meeting to conclude. Antonio Rios acted as spokesman. It should be made clear to those who did not read his words or hear them on radio or television that at no time did the AD national union secretary accuse the ministers of being FEDECAMARAS agents or of being biased by it. The accusation was, shall we say, even more serious, since after all there have always been top management people in the cabinet, especially in the Finance Ministry. "I do not think," Rios said,

"that those ministers are FEDECAMARAS officials or are biased in favor of FEDECAMARAS, but what is true is that the economy is not behaving as hoped...It is not fulfilling the promises that our comrade Lusinchí made and it is not meeting the country's needs...So then, President Lusinchí must make changes in his cabinet so that it is made up of men who feel, who live the commitment that he made all over the country when he was a candidate..."

Under Fire

Two men are the targets of the union protest: Manuel Azpurúa, the finance minister, and Hector Hurtado, the development minister. Although Azpurúa is far from being an AD man and, in fact, comes from the Mendoza Group, which has longstanding ties with the Caldera faction, most of the objections are to Hurtado, a longtime AD member who is regarded as indispensable in any AD cabinet because he is considered the high-ranking official who knows the most about the workings of government. As development minister, however, Hurtado has also had to authorize the price increases that have been dictated by actual costs, whether of imported or domestically produced items. Agriculture and Livestock Minister Felipe Gómez Álvarez is in an equally touchy situation. Though he is one of the most qualified cabinet members both politically and technically, circumstances have made him the target of contradictory attacks from the marketing cliques and labor leaders. Gómez Álvarez's goal is to substitute domestic production for the \$6 billion in foodstuffs that the country imports annually. To do this he has to increase prices at the producer level, and these boosts are inevitably passed on to consumers. That is why labor is protesting.

The other member of the economic cabinet, Planning Minister Luis Matos Azocar, has better protection against the union attacks. Matos Azocar owes his position to organized labor and he has shown loyalty to that support in his public statements. Moreover, though his ministry's decisions square with and even at times dictate those of the Finance and Development ministries, they do not have a direct impact on workers and consumers, as do the actions of the Development and Agriculture ministries, whose mission is to boost the output of manufactures and foodstuffs, which they can accomplish only by giving producers the incentive of higher prices.

Seeking Peace

All of this looks very bad to politicians like Octavio Lepage, whose future ambitions make him the cabinet minister with the biggest personal stake in the administration's success. It had not been 24 hours since Río's statements when Lepage met with Matos Azocar, Juan José Delpino and Río himself. Oddly enough, Delpino, the president of the CTV, has been the labor leader who has been the most guarded in his statements and actions. For good reason he and Manuel Penalver are regarded as the most statesmenlike labor leaders.

The purpose of the interior minister's meeting with the three spokesmen of organized labor was obviously to get them to spell out their objections to the economic cabinet's performance. Gonzalo Barrios had already stated that Rios ought to clarify the meaning of his remarks. Rios did so, in a written statement in which the labor movement reaffirmed its support of President Lusinchi and confirmed that it never claimed links between the ministers and FEDECAMARAS, stressing, however, that the economic recovery was moving too slowly and that the ministers dealing with the economy ought to spur it on.

Where There's Smoke...

A certain newspaper suggested that Antonio Rios's strong statements could have something to do with the elections that are being held in the unions. The fact is that the AD labor leaders would not seem to need that sort of crutch because they are winning by a larger margin than they had (which was already 70 percent). Obviously, however, a great many leaderships are sustained through intransigence, a vice that CONSECOMERCIO has been accused of and that FEDECAMARAS itself lapses into, with Adan Celis and Carlos Ramirez Machado vying for supremacy in the federation by rejecting everything that the administration and the unions say, according to the two men's critics. This is a new tack among businessmen, whose top leaders have always sought understandings with the government.

Management's approach has obviously triggered an equally strong reaction from labor, which realizes that it must offset the pressure that business can put on the government, especially since the Roraima Group is still on the prowl and Alfredo Coronil Hartmann, whose mentor, Arturo Uslar Brown, is visiting barracks all the time, took the floor during Congress's solemn session on 5 July to declare that the system is rotten.

All in all, events took a negative tack this week.

8743

CSO: 3348/510

PEDEVESA ANNOUNCES INVESTMENT PLANS FOR ORINOCO OIL BELT

Caracas EL UNIVERSAL in Spanish 6 Jul 84 p 2-2

[Article by C.R. Chavez]

[Text] The first phase of the assessment of the Orinoco oil belt is over from a technical standpoint, and the findings are highly positive. Nevertheless, the oil industry's investment program for that area, which contains the country's largest and best confirmed deposits, calls for more than a billion bolivars to be spent this year to achieve the goal of producing a half-million barrels of crude oil a day by the end of the century, in 15 years in other words.

A report details what was accomplished during the 5 years between 1978 and 1983, underscoring the following 6 main points in the program: 1) Regional exploration; 2) Determination of priority development areas; 3) Assessment of priority areas through pilot projects; 4) Development planning studies; 5) Startup of development in the established priority areas, and 6) Implementation of an enhanced crude oil development project.

1984-1989 and Long-Range Plans

The 1984-1989 Plan is based on the same guidelines as the previous plan; the changes have to do with individual programs, not long-range strategy. In this regard, the programs are in the areas of exploration, research and selective development. Since regional exploration was completed in 1983, the efforts will focus on:

- Consolidating and analyzing the findings of the previous program;
- Intensifying the production geology efforts in the priority areas.

The analysis of the previous program and of certain possibilities outside the priority areas could lead to further, as yet undetermined exploration.

Output Potential

The long-range goal is 500,000 barrels a day of potential production by the end of the century. The definitive figure will depend, however, on a systematic reassessment of all the potential-related factors, their ranking, processing and market considerations and strategic criteria.

Output potential in the medium term is based on the Guanipa 100+ Plan, which aims at producing an additional 100,000 barrels a day by 1988 and at extracting 30,000 barrels a day from the Cerro Negro experimental blocks.

The priority areas of Zuata-San Diego and Hamaca-El Pao will also continue to be evaluated via steam injection testing.

Additional efforts to expand production potential will depend on:

- The results from the experimental blocks in Cerro Negro and the testing in Zuata and Hamaca.

- The findings of the comprehensive refining-enhancement study in the east (as part of the National Refinery Capacity).

- The findings of the research programs on heavy crude oil enhancement processes.

- The studies on crude oil transportation, both by land and by sea.

- Corporate decisions on the share of the various factors involved in overall potential.

Refining

In light of the postponement of the DSMA [Development of South Monagas and Anzoategui], MRM and CPC projects, a call has gone out for a comprehensive reassessment of the refining-enhancement plan for heavy crudes from the belt, giving consideration to the possibility of a new refinery complex in the eastern part of the country and whether it is or is not compatible with the policy of blending crude oils. (All of this comes under the purview of national refining plans.)

Research

In keeping with the view of the belt as a research and selective development project, research on the development and processing of crude oil from the belt will continue. The following medium-term developments should be emphasized in this regard:

- Earmarking half of INTEVEP's [Institute of Venezuelan Petroleum Technology] funding for heavy crude projects (some 700 million bolivars during the 1983-1988 period);

--Construction of INTEVEP's pilot enhancement plants in the Jobo field (85 million bolivar investment);

--Venezuelan-German agreement;

--INTEVEP-IFP agreement.

Regional Planning

Efforts will continue to be made to see to it that progress in the oil industry is compatible with the comprehensive planning of socio-economic and environmental development in the belt. Noteworthy in the medium term is the implementation of the land use program under a PDVSA-MARNR agreement (an estimated outlay for PDVSA of 27 million bolivars in the 1983-1985 period).

Conclusion

The Orinoco oil belt is the country's most important economic resource in the medium and long term. By the end of the century its contribution to the industry's production potential will be 500,000 barrels a day.

The efficient development of the heavy crude oil in the belt and its processing and enhancement under a comprehensive marketing policy are goals of the utmost importance for the research and selective development strategy that the industry has been and will continue pursuing in that area.

The strategy seeks to:

--Complete regional exploration;

--Maintain a long-range output potential of 500,000 barrels a day by the year 2000;

--Generate additional medium-term potential (1983-1988) under the Guanipa 100+ Plan (an extra 100,000 barrels a day by 1988 and 30,000 barrels a day from the Cerro Negro experimental blocks). The extent and timing of these additional efforts will depend on:

--The results of the testing and the experimental blocks;

--The findings of the comprehensive refining-enhancement study in the east of the country.

Great emphasis will continue to be placed on research, especially in the area of heavy crude oil transportation and enhancement. Particularly noteworthy is the construction of the INTEVEP pilot plants in the Jobo field.

Comprehensive socioeconomic planning for the belt area will continue under a new agreement with the MARNR.

Finally, it bears pointing out that the industry's original ideas for the belt are reaffirmed in the revised plan and that although there have been changes in activities and expenditures, the basic thrust of the original plan has not changed.

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VENEZUELA

ENERGY MINISTER DISCUSSES INCREASE IN OIL PRODUCTION QUOTA

Caracas EL NACIONAL in Spanish 17 Jul 84 p D-2

[Article by Cayetano Ramirez]

[Text] OPEC will meet in October to consider a possible increase in production in view of expected higher demand at that time, but it must not modify prices, said Energy and Mines Minister Arturo Hernandez Grisanti.

Returning from the 70th OPEC Conference, which met in Vienna last week, Hernandez Grisanti called a press conference and spoke with newsmen; with him were Deputy Minister Hernan Anzola; the director of economy and technical representative to OPEC, Carlos Eduardo Luciani; the governor to OPEC, Felix Rossi G.; the ministry's international director, Alberto Valero, and assistants Luis Xavier Grisanti and Francisco Velez.

The OPEC conference was clearly constructive and, in the minister's opinion, will help to stabilize the market and prices. One of the upshots of OPEC's decisions, he mentioned, was that the British North Sea Oil Company (BNOC) resolved to hold the line on the official prices of its crude oils for the third quarter of this year in spite of pressure from its clients and even though prices on the spot market are \$1.50 below the official price.

This is important because North Sea prices are directly related to the prices of oil from Nigeria, Africa in general and the Persian Gulf.

Hernandez Grisanti stated that the conference proceeded quite normally, without any atmosphere of crisis, emphasizing, however, that as on previous occasions international news stories painted a different picture.

Among the conference's main decisions the minister mentioned keeping output at the existing ceiling of 17.5 million barrels a day and holding the benchmark price at \$29 a barrel for Saudi crude.

OPEC also decided to send delegations of member country ministers to oil-producing nations both inside and outside the organization to meet with heads of government and inform them of OPEC's assessment of current market conditions and of the advisability of not boosting production and exports too much. Contacts will be established with all OPEC countries. The organization's acting president, Hasan Maghour, Libya's oil minister, will be visiting Venezuela; Hernandez Grisanti will be going to Mexico and then, as part of a delegation along with Otaiba and Nabi, to the Persian Gulf countries; Yamani will visit England; Al Sabah, Norway, and Maghour will also travel to African nations and Ecuador.

Hernandez Grisanti reaffirmed his gratitude to Mexico for the solidarity that it has shown with OPEC in shoring up the market. He recalled that Mexico and Venezuela are in permanent contact concerning OPEC and also because they must now finalize the details of the San Jose Agreement under which they are selling oil on easy terms to Central American and Caribbean countries. The decision on the San Jose Agreement will be made in August.

He said that the conference authorized Nigeria to boost its production quota because of the extremely difficult conditions besetting it. By strengthening Nigeria, he said, the conference strengthened itself.

1984 Better Than 1983

Hernandez Grisanti gave some details about demand and output that indicate that this will be a better oil year than 1983, which as we will all recall was a very difficult year for OPEC. Demand during the first quarter of 1984 totaled 47.1 million barrels a day, compared to 45.35 million in 1983. Demand during the second quarter of 1984 stood at 43.9 million barrels a day, compared to 42.94 million in 1983.

Demand is expected to rise during the third quarter to around 44 million barrels and during the wintertime fourth quarter to as high as 46 million barrels.

If the market behaves as predicted, another conference might be held in October to assess the situation and, Hernandez Grisanti said, consideration might be given to an increase in output quotas. In that event, Venezuela would argue that it needs to boost production by a reasonable amount. He said that he personally felt that prices should not be modified because the conditions are not appropriate.

The Venezuelan minister will attend the Oxford Energy Seminar in late September, inasmuch as he will then be able to sit in on the meeting of the OPEC Follow-Up Committee immediately thereafter. He will also meet with British Government leaders in response to an invitation that was extended to him in recent days.

Paying off the Debt with Heavy Oil

When asked about the suggestion that Venezuela pass a law to pay off its foreign debt with heavy petroleum, Hernandez Grisanti said that this is already being done, since more than 700,000 of the 1.5 million barrels a day that are exported are heavy crudes and another large part consists of heavy fuels extracted from heavy crudes.

If production quotas are discussed at the OPEC conference, Venezuela is preparing proposals that it feels are better options than boosting heavy crude output to pay off its debt. He went on to say that Venezuela can alter the prices of its heavy crude oils and derivatives without having to consult OPEC because our heavy crude oils do not compete with the petroleum output of other OPEC members. He cautioned, however, that increasing production is another matter because a decision here would depend on whether extra output would affect the market or not.

In reply to another question, he clarified that Venezuela would not unilaterally alter the San Jose Agreement and that what Venezuelan Investment Fund Minister Carlos Rafael Silva said had to do with payment terms in bolivars and dollars, which falls outside the terms of the pact. Hernandez Grisanti was expecting to talk with Mexican Energy Secretary Francisco Labastida yesterday, in fact, to plan the final stage of decision-making on the San Jose Agreement.

Regarding the agreement with Veba Oel that has recently become a topic of public debate, he said that he did not want to include the issue in a review of the OPEC conference because he had just returned from Vienna and had not had time to look into the matter thoroughly, adding that he would discuss it on another occasion after he had examined the arguments.

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END